



EUROPEAN NEWS

Former Bulgarian leader Zhivkov is ousted from the Party

By Judy Dempsey in Sofia

MR Todor Zhivkov, Bulgaria's former hardline Communist leader was yesterday expelled from the party on the same day that the Central Committee also decided that it would move fast to abolish its automatic right to a leading role in the country.

The Central Committee said it would ask the National Assembly, which meets on Thursday, to repeal two paragraphs of Article One of the Constitution which enshrine the Communists' leading role in society.

And it recommends that "we make a distinction between those who are against socialism" and those who are against social-ism.

It says that Podkrepa and some other groups "are trying to direct or channel the events towards breaking the normal course of renewal by formulating unrealistic demands of the Bulgarian Communist Party and state leadership".

At the same time, however, the letter concedes that there are some groups, such as the environmental movement, which "organise a constructive discussion".

And in what could be a sign of the growing authority of Mr Mladenov, and particularly of Mr Andrei Lukanov, the party's number two, who is in charge of economic and cadre policy, the leadership has categorically ruled against "the use of force".

Gysi crosses Berlin to charm the West

By Leslie Collett in Berlin

MR GREGOR GYSI, the unassuming 41-year-old lawyer who has been East German Communist party leader, has achieved what his predecessor, Mr Erich Honecker, was never able or willing to do. He visited West Berlin.

"We believe this GDR is the leftist alternative to the Federal Republic," he said to applause. Many Germans in East and West, though, would have disagreed. "My party is dejected, decimated and discredited," he admitted.

Period of adjustment for Western alliance

An enhanced political role provides only a partial answer to Nato's quandary

THE TIME of disintegration of the post-war order in Eastern Europe faces the West with many delicate and difficult dilemmas, not the least of which is what to do about the Western alliance.

plan is that he does not address at all the central dilemma of Nato's original raison d'être, which is as a defensive military alliance. It is all very well stressing the political, but if the military aspects are out of kilter with reality, the alliance will be in real trouble.

need some fundamental revision. It is not just that the Vienna negotiations have a fair chance of eliminating the Eastern advantage in conventional forces, and thus most of the rationale for the nuclear weapons. More important, the political transformations now taking place in Eastern Europe completely undermine the political acceptability of a doctrine which assumes the use of nuclear weapons against East Germany, Czechoslovakia or Poland.

At the same time, however, a reduced US presence in Europe would make it a lot harder for the French to sustain their rhetoric of Gaullist independence. On the other hand, the internal contradictions in the defence relationship between France and West Germany would be intensified by widening differences over nuclear strategy, and even more by the debate over reunification.

Wörner sees political role for Nato

By Robert Mauthner, Diplomatic Correspondent

MR Manfred Wörner, the Nato Secretary-General, yesterday fully supported US proposals that the Alliance should adopt more of a political role, and said that this would be discussed at the Nato foreign ministers' meeting starting in Brussels today.

E Germany might join IMF and World Bank

By David Marsh and Leslie Collett in East Berlin

EAST GERMANY is examining possible membership of the International Monetary Fund and the World Bank to back its economic reform programme, Mr Klaus-Christian Fischer, state secretary for the economy, said yesterday.

Ostpolitik pays belated dividend for Germany's elder-statesman

By David Marsh and Leslie Collett in East Berlin

DURING THE past two months of momentous change in East Germany, Mr Willy Brandt, the 75-year-old former West German Chancellor, has been basking in the glow of a golden political twilight.

IAN DAVIDSON ON EUROPE

the East and therefore no longer needs any joint defensive arrangements. That risk will be much greater if Nato renounces itself, persisting with an anachronistic strategy for countering an out-dated threat.

By contrast, it is absolutely clear that the West Germans will now never agree to the deployment of a modern successor to the Lance short-range missile. As a result, it is probable that the territory of West Germany will be progressively de-nuclearised, and that in the medium term political taboos will confine nuclear weapons to the territory of nuclear weapon states.

These may not be the optimum responses to Europe's new security requirements; we cannot yet be sure that those new requirements will be. The important point, however, is that Europe will have new security needs, which will not be satisfied by standing that Nato should do the work of the OECD, Gatt or the International Chamber of Commerce.

Ostpolitik pays belated dividend for Germany's elder-statesman

By David Marsh and Leslie Collett in East Berlin

Thatcher, the British Prime Minister, that, if the UK is afraid of a weaker German commitment to a united Europe, now is the time to strengthen support for European monetary integration.

Former Chancellor Willy Brandt talks to David Marsh

Referring to the now-celebrated protest march in Leipzig on October 9, when armed East German security forces drew back at the last moment from intervening with civil war-like action, Mr Brandt said the date would go down as "a special day of German-Soviet friendship, because on this day Soviet officers prevented a bloodbath in Leipzig."



Willy Brandt: appealing to both sides in the debate over unity

Pope names deputy in reshuffle

By John Wyles in Rome

POPE JOHN PAUL yesterday named Monsignor Giovanni Battista Re as his new Deputy Secretary of State in a reshuffle which has seen the Australian Bishop Edward Cassidy put in charge of key negotiations with the Russian Orthodox Church over the restoration of full religious rights to Ukrainian Catholics.

Eurocrats' thoughts turn to the battle for top jobs in Brussels

By Tim Dickson in Brussels

IF YOU think Brussels is buzzing with nothing but talk of the internal market and Eastern Europe, think again.

European Diary

Belgium among Ais - the prized top grade in the Community hierarchy which takes in other important posts like EC ambassadors and the Secretary General. Big member states like France, Britain, Italy, and Ger-

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# Yeutter urges greater investment in Poland

By Peter Riddell, US Editor, in Washington

AMERICAN investors are "a step behind" European ones in becoming involved in Poland, Mr Clayton Yeutter, the US Agriculture Secretary, conceded yesterday. He was reporting to Congress on a mission of Cabinet members and business and union leaders which he led to Warsaw two weeks ago. Mr Yeutter did not believe there was any "irreparable damage" from the US viewpoint so far, since German and French investors were so far mainly just talking.

companies had taken the lead. But Mr Yeutter argued that US companies "ought to be getting into the ball game now, not waiting. They need to have a presence there, watching closely." Anticipating a detailed report on the mission which he will present next week to President George Bush, Mr Yeutter said there was no significant flow of capital into Poland until after institutional and structural changes, which would take time. He stressed the absence, for example, of marketing and distribution networks. An exception offering a quick return was hotel projects of the kind being built by Marriott in Warsaw.

Consequently, Mr Yeutter said a conclusion of the mission was that technical assistance and advice in institution building was needed more in the long-term than financial help. However, he stressed the need for an improvement in performance in the short-term from the existing structure. Poland, he said, "needs a few success stories." He added that the mission was very favourably impressed by the economic model being discussed by the new Polish government, which, he claimed, was nearer to the American than the European approach.

# OECD worried at Washington aid levels

By George Graham in Paris

THE volume of US development aid has come under criticism from the Organisation for Economic Co-operation and Development (OECD), the Paris-based grouping of leading industrialised nations. The OECD's Development Assistance Committee has expressed "deep concern" at the outlook for the US aid budget, which is the largest in the OECD area in absolute terms but one of the smallest as a proportion of national income. The shrinkage of resources available for aid had "serious implications for equitable burden sharing among donors and for the ability of the US to participate effectively in common efforts in areas of critical development concerns," the committee said.

The US's total disbursement of official development aid amounted to \$10.1bn (\$8.3bn) in 1988, but this represented only 0.21 per cent of gross national product. Only Ireland devotes a lower proportion to aid; the OECD average is 0.36 per cent, and international organisations have set a target of 0.7 per cent of GDP. On the other hand, grants from US private charities reached \$2bn, around half of the total for the OECD area and equivalent to 0.06 per cent of GDP.

# IMF to begin talks with Peru

A TEAM from the International Monetary Fund is expected to visit Peru next month to start talks on the development of an economic programme, following a \$42.3m interest payment by the country to the Fund, Stephen Fidler, Euromarkets Correspondent, writes. The payment, regarded as a token of the government's desire to achieve a rapprochement with the Fund, covers interest from September to the year end. Arrears to multilateral organisations total about \$1.6bn, of which about \$800m is owed to the IMF.

# Chileans begin era of democracy

Leftist looks set to win the presidential sash, reports Barbara Durr

TODAY is the beginning of a new democratic era in Chile. In the first free national elections since Gen Augusto Pinochet took power in a coup in September 1973, 7.5m citizens will go to the polls. They will elect a president for a four-year term (thereafter presidents will be elected for eight years) and a new bicameral Congress, with deputies serving four years and senators serving eight.

The atmosphere of calm that pervades Chile at this historic moment is in dramatic contrast with the palpable tension during last year's national plebiscite on eight more years of rule by Gen Augusto Pinochet. Then, the government and the opposition each had apocalyptic visions of what the other would wreak if the general was rejected. It was not until the opposition's military intrigues to undo the march toward democracy - nor that of the government - left-wing riots and political upheavals that would bring economic chaos - has come to pass. Instead, Chile has steered a rock-solid course toward democracy and, in the political calm, has set a new series of economic high marks in 1989.

Gen Pinochet is due to turn over the presidential sash on March 11, and there seems little doubt that his lucky recipient will be Mr Patricio Aylwin, the candidate of the 17-party centre-left opposition coalition. So sure is Mr Aylwin of his victory that he has designated the time and place of a public celebration and arranged an elaborate international satellite broadcast of a press conference tomorrow. The most recent major national poll, carried out on December 5-7 by the Center for Studies of Contemporary Reality (CERC), gave Mr Aylwin a resounding 57 per cent of the electorate. Mr Hernan Buchi, the standard-bearer for the main right-wing parties, scored just 25 per cent and Mr Francisco Javier Errazuriz, a

right-wing populist and something of a wild card, rose to 16 per cent. Mr Errazuriz, a man who has played mostly to emotions, has tried to offer himself as an alternative to the traditional political options. His most-repeated slogan was "No more blah blah blah, vote for Fra Fra" - Mr Errazuriz's nickname. Mr Buchi, hobbled by his identification with the military regime and a lack of political skills, appears to have lost votes significantly during his campaign to Mr Errazuriz.

Mr Buchi's main tactic against the front-runner has been to try to sow doubts that Mr Aylwin is in control of the leftist parties in his broad coalition. A CERC survey however revealed that a clear majority of people believe the coalition is ruled mostly by consensus or by the centrist Christian Democratic Party.

Mr Buchi and Mr Errazuriz are still hoping, at least publicly, that there will be a second round in the presidential contest. This would occur if no candidate wins a majority today. But that result is regarded as improbable. In the closing rallies of the three candidates on December 9-11, the opposition's massive popular appeal was evident. Mr Aylwin drew a crowd estimated to reach nearly 1m people, far surpassing those who gave their final cheers to Mr Buchi and Mr Errazuriz.

Mr Aylwin, a 71-year-old, politically moderate Christian Democrat, has in fact so steadily led in the race to occupy Chile's top job that for months he has had a presidential air. He almost never referred directly to his opponents, speaking instead of the problems ahead and how he will solve them. Mr Aylwin acknowledges that in the 14 months since the plebiscite on Gen Pinochet's - and the country's - future, the government has given way, allowing the opposition to conduct political activity freely. "We have been advancing [toward

democracy] and to tell the truth, each has done his part," he says.

Mr Carlos Caceres, the interior minister and the regime's chief soft-liner, has deftly reached crucial accords with the opposition - which Gen Pinochet has been forced to accept. These include amendments to the 1980 constitution, which the general had sworn was unchangeable, and the naming - just nine days before the election - of a board for the newly autonomous central bank that included two representatives of the opposition.

Gen Pinochet, once the gruff, stern-faced authoritarian, is now a much weakened figure. Under the current constitution he can remain for another eight years as commander-in-chief of the army, Chile's most powerful armed service, or opt to be senator for life. But more than this, he now seems to yearn for historical justification. Frequently dressed in business suits rather than uniform, these days, he wants to be known as the man who brought Chile back to democracy. He said last week: "The whole country has been able to inform itself about the [political] alternatives, which constitutes one more proof of the unlimited democratic will of the government."

If elected, Mr Aylwin says, he will attempt to persuade Gen Pinochet to step down as army commander. In any case, Mr Aylwin confidently notes, while he cannot remove the general because of the constitution, a new president will be chief of all the armed forces and thus be Gen Pinochet's superior.

The opposition is hoping to win two thirds of the seats in both houses, so it can further change the 1980 constitution. Among the provisions on the chopping block is Gen Pinochet's army tenure until 1997.

Even with today's election, many still feel that Chile's transition back to democracy will not really be complete until Gen Pinochet is out of the political picture for good.

# Shortage of sugar alcohol in Brazil

By Ivo Dawson in Rio de Janeiro

MOST filling stations in Rio de Janeiro have now run out of supplies of sugar-based alcohol fuels, which may leave hundreds of thousands of motorists stranded.

The fuel supply crisis, long predicted by economists, is expected to continue until April, when a new sugar-cane harvest will help meet demand.

Some 4.5m of Brazil's 12.5m cars are powered solely by alcohol, which was first introduced as an additive to petrol in the late 1970s and was later used to reduce dependence on oil imports and save precious foreign exchange.

Output of alcohol is now 1.5bn litres below estimated demand with scarcity expected to rise sharply in the coming two months because of a fall-off in sugar production.

Emergency measures are now under way to secure supply but efforts to import methanol as a substitute fuel have been held up by court actions put forward by environmentalists alleging that the fuel is dangerous to users and suppliers.

# US November retail sales up 0.8 per cent

By Anthony Harris in Washington

US RETAIL SALES rose by 0.8 per cent to \$144.6bn (\$90bn) in November, according to preliminary figures from the Department of Commerce. Car sales rose only 0.5 per cent from their October slump, but clothing sales rose 2.4 per cent. The increase was well ahead of a 0.2 per cent consensus forecast in the financing markets, but half the difference was due to a downward revision in the October figure, and the market showed no reaction to the news.

Total retail sales have now recovered almost exactly to their value in July. The White House greeted the new figures as evidence of continued economic growth. It is already known that the administration's 1990 budget proposal, due out in January, will be based on an assumption of a 2.8 per cent real growth rate.

The car market appears to be weakening further. Ford announced yesterday that its early December car sales totalled 31,184, down 30 per cent at a daily rate from the same period in 1988.

The company predicted that US car and truck sales will fall to 14.5m in 1989 from 15.8m in 1988, and will ease further to

14.5m vehicles in 1990.

The US registered a \$22.6bn deficit in its balance of payments on the current account in the third quarter, compared with a revised deficit of \$23.08bn in the second, the Department of Commerce said.

The current account measures the balance of trade in goods and services, including banking, financial transactions and tourism.

Most of the improvement was explained by a \$7.6bn increase in the dollar value of earnings from foreign subsidiaries of US companies since the exchange rate weakened in the third quarter.

The capital account showed a net inflow of \$72.46bn in the third quarter, compared with the \$1.79bn outflow in the second. Official foreign assets rose by \$11.25bn, reflecting intervention to support the dollar, compared with a fall of \$5.2bn in the second quarter.

Holdings by private investors increased by \$61.24bn in the third quarter compared with a rise of \$3.41bn the previous quarter. The third quarter gap was the best trade performance since the first quarter of 1984, when the gap amounted to \$20.90bn.

# Semiconductor chip development move

By Louise Kehoe in San Francisco

SEMATECH, the US semiconductor industry research consortium, is refocusing its efforts to emphasise support of domestic US suppliers of production equipment and materials.

In its latest move, the consortium has awarded a joint development contract to Silicon Valley Group, a leading US semiconductor production equipment maker, to accelerate the development of equipment for use in making the next generation of computer chips.

"This is a significant contract in the advancement of

semiconductor manufacturing technology," said Senator Pete Wilson. "By teaming with US semiconductor equipment and materials suppliers in development projects, Sematech is leveraging the dollars it spends to gain maximum return on investment for American taxpayers."

Under the agreement, Sematech will provide funding, personnel, laboratory equipment, training and other resources to the joint project. The contract is the latest in a series of joint development efforts undertaken by Sema-

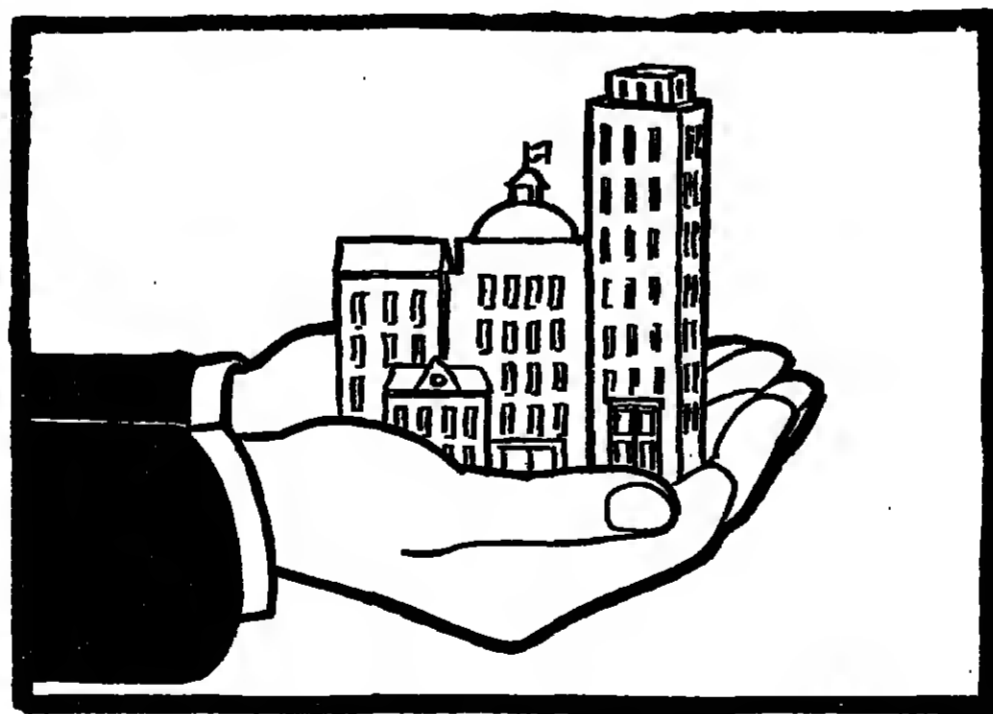
tech involving US semiconductor production equipment makers. The consortium expects to spend \$89m of its \$200m (\$124m) 1989 budget on such efforts, said Dr Robert Noyce, Sematech president, and the figure will rise next year.

"Since 1987, 82 US semiconductor production equipment suppliers have disappeared through mergers, acquisitions, foreign acquisitions and going out of business. It is critical that we reverse this trend if the US is not to become totally dependent upon foreign suppliers for critical technologies."

"One of the major changes that Sematech can effect is to create closer relationships between US semiconductor manufacturers and their suppliers," said Dr Noyce. "We must work hand in glove, rather than at arms length."

The Sematech announcement comes on the heels of the rejection by the Bush administration of proposals to increase federal funding for Sematech. The consortium receives its funding from the Defence Department. Advanced Research Projects Agency and from its 14 member companies.

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Centre and other institutions. Strasbourg is the crossing point of a multitude of intellectual currents, a great centre for music and for innumerable meetings and conferences, and

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WORLD TRADE NEWS

S Korean orders 'vindicate UK grant for Davy'

By Peter Montagnon, World Trade Editor

DAVY, the UK heavy engineering group, has won two further orders worth \$70m from South Korea's Pohang Iron and Steel Company (Posco), bringing business won from this client since 1983 to \$230m.

EC finalises its Uruguay Round stance

By Tim Dickson in Brussels

HOWEVER much the European Community scoffs at US proposals to scrap all farm subsidies over the next 10 years, no one in Brussels denies the public relations triumph of that simple, eye-catching appeal.



Mallet: EC offensive

"the utopian playing field" where subsidies are removed is a long way off, and it insists on a "global" approach whereby all trade-distorting subsidies from export refunds to deficiency payments and price guarantees would be reflected in one common measure of support (the so-called Support Measurement Unit).

which turns variable levies like the EC's import levies into fixed tariffs as a prelude to their dismantling.

Morocco to limit state intervention in trading

By William Dullforce in Geneva

MOROCCO plans to publish a new foreign trade code next year, limiting the scope for state intervention, simplifying regulations and confirming its commitment to a liberal trading system.

US celebrates its steel pact 'triumph'

By Nancy Dunne in Washington

IT WAS, said Mr Linn Williams, deputy US Trade Representative, a "daring enterprise" the Bush Administration undertook when it announced its intention to use the US steel market as leverage to get governments out of their domestic steel industries.

EC to phase out voluntary import quotas

By Peter Montagnon

THE European Community has agreed to phase out by March 1992 its voluntary steel import quotas with all third countries, as part of its general agreement on the trade with the US, says Lucy Kellaway.

US celebrates its steel pact 'triumph'

By Nancy Dunne in Washington

Brazil, Mexico - the largest importers into the US market - as well as Australia and Trinidad and Tobago all signed "bilateral consensus agreements", receiving a slightly bigger quota share of the US market for their pains.

USSR DOING BUSINESS WITH THE SOVIET UNION OUTLOOK FOR A NEW DECADE April 3-5, 1989, Hotel Mezhdunarodnaya, Moscow

POLITICAL CHANGES OPEN OPPORTUNITIES FOR PULP AND PAPER MAKERS Eastern European market beckons

By Maggie Urry

THE opportunities for pulp and paper makers being opened by the political changes in Eastern Europe and the Soviet Union were raised yesterday at the final session of the two-day Financial Times World Pulp and Paper Conference in London.

required that waste paper be collected in an attempt to reduce the country's waste problem. However, he said, the system had started to generate large volumes of waste paper and supply of waste paper was outstripping demand, forcing prices down.

FT CONFERENCE WORLD PULP AND PAPER with an average of nearly 150kg in the European Community.

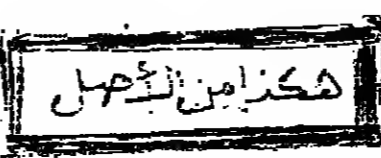
GOLD TO 1992 HAVE INVESTORS RECOVERED THEIR NERVE? The recent gold price rally will have come as no surprise to readers of The Economist Intelligence Unit's Report, Gold to 1992: New Mines and Stronger Markets.

THE DAVID WATT MEMORIAL PRIZE Following his tragic and untimely death in March 1987, The David Watt Memorial Prize was introduced in 1988 to commemorate his life and work.

Gatwick - Rotterdam 5 flights daily Antwerp 4 flights daily Dusseldorf 3 flights daily Guernsey 5 flights daily Manchester - Guernsey 1 flight daily Jersey 1 flight daily

BAe wins \$340m orders for regional airliners By Paul Betts, Aerospace Correspondent BRITISH AEROSPACE has won orders worth more than \$340m for its four-engine 146 regional jetliner and its twin-engine Advanced Turboprop (ATP) regional airliner.

Contents: Introduction and Summary, Gold in Historical Perspective, Financial and Monetary Dimensions, The Structure of Supply, South African Production and Companies, North American Production and Companies, Australian-Pacific Production and Companies, Other Countries and Producers, Demand by Category and Country, The Outlook For Gold to 1992.



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OVERSEAS NEWS

India to tighten restrictions on selected imports

By David Housego in New Delhi

INDIA is to introduce further "selective" import curbs in an effort to slow down the fall in its foreign exchange reserves...

Mandela transformed from martyr to politician

By Paul Waldmeir in Johannesburg

NO ONE dares speak ill of a martyr - at least not in public. So for the past 27 years of his imprisonment, apartheid's chief martyr, Mr Nelson Mandela...

Both, who shocked the country by entertaining Mr Mandela to tea last July, shortly before resigning as State President...

political groups did not attend - the Zulu political movement Inkatha, headed by Chief Mangosuthu Buthe...

High growth rate forecast in Japan

By Ian Rodger in Tokyo

JAPAN'S economy is likely to achieve a fourth year of strong growth in 1990-91, propelled by corporate capital spending...



Vietnamese protest against forced repatriation yesterday in their camp in Hellingchau island

Boat people in protest marches

By John Elliott in Hong Kong

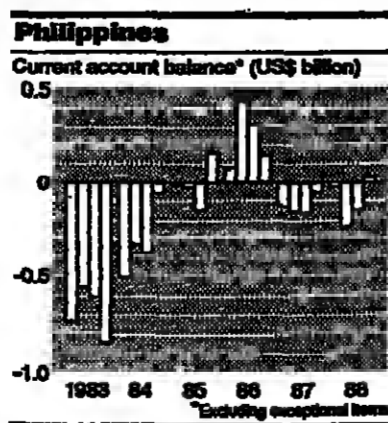
MORE than 6,000 Vietnamese boat people yesterday staged angry demonstrations in three detention centres against Hong Kong's mandatory repatriation policy...

Wan camp, which houses more than 2,000 people who have failed to qualify as genuine refugees in screening tests...

Philippines economy held hostage by coup plotters

Roger Matthews assesses the long-term damage inflicted by the latest attempt to oust Mrs Aquino

SOME 3,000 men have in the past two weeks ensured a more miserable 1990 for many of the 80m citizens of the Philippines...



1988. Even so, close to 25 per cent of export earnings will be needed this year to service the country's \$28bn external debt...

insurgency, despite increasing crime in the cities, and despite the fragility of its new political institutions...

Saudi pride acts as small print in BAe's arms deal

By Victor Mallet and David White

IN MANY ways the Saudi-British Al-Yamamah arms deal, reinforced in the past few days by a Saudi cash injection of nearly \$2bn...

exchange rates of the dollar (the unit used for oil pricing) against Sterling and other currencies. But it had confidence in the firm support of the British Government...

US increases food relief assistance for Ethiopia

By Michael Holman, Africa Editor

THE US, warning that Ethiopia faces a food shortage which may rival the famine of 1984-85...

Hopes that the Ethiopian government had agreed to open safe passage corridors in the country's war zones...

E Timor oil deal upsets Lisbon

By Patrick Blum in Lisbon

THE Portuguese Government has recalled its ambassador to Canberra in protest at the signing on Monday of an agreement between Australia and Indonesia...

Morocco adopts programme for privatisation

MOROCCO'S Parliament has adopted legislation to privatise 118 enterprises including leading banks and 37 hotels...

Aquino given special powers to avoid unrest

THE Philippines House of Representatives yesterday voted President Corason Aquino emergency powers for 90 days to help her rebuild the economy and thwart further coup attempts...

Tunisian Islamic party seeks legality

Tunisia's Islamic movement yesterday renewed its application for legal status as a political party...

UK NEWS

Air crash report urges European gangways code

By Paul Betts, Aerospace Correspondent

BRITAIN'S Civil Aviation Authority (CAA) called yesterday for a new European requirement to widen gangways through aircraft bulkheads to 30 inches compared to the current international minimum of 20 inches to make it easier for passengers to evacuate an aircraft in emergencies. The CAA recommendation followed a two-year research programme conducted by the Cranfield Institute of Technology in Bedfordshire and involving 2000 volunteers commissioned by the regulatory authority after 55 people died in a British Airways Boeing 747 which caught fire at Manchester airport in 1985. The new safety proposals, if adopted, would apply to new aircraft designs and not to existing aircraft. Boeing said yesterday the proposals if applied would be 28 per cent to involve any change in aircraft design but could involve some modifications in the internal fittings of certain airlines. The CAA also said yesterday it plans to use the test results to press for international adoption of UK standards for access to overwing exits in an aircraft. After the Manchester disaster, the CAA required airlines in the UK to increase the gap between seats in front of the overwing exits. The tests involved extensive research on human behaviour in airline crisis situations. Its main aim was to investigate the influence of changes to cabin layout on passenger evacuation rates. The new international standards would only apply to future aircraft, British airline officials said. Mr Ronald Ashford, the CAA's director in charge of safety regulations, said the proposed measures would not mean fewer seats in an aircraft but structural changes in the galley and wardrobe areas. A Boeing official said this would probably imply some refitting in the internal configuration of some aircraft.

In Brief Fimbra ends meeting virtually unscathed

Lord Elton, chairman of the Financial Intermediaries, Managers and Brokers Regulatory Association (Fimbra) and his Council emerged virtually unscathed from yesterday's annual general meeting held at the Wembley Conference Centre, London. Relations between Fimbra and its members have been steadily deteriorating over the past few months, but members attending the meeting rejected a series of resolutions critical of Fimbra and Lord Elton.

Computer virus City of London police warned yesterday that a mysterious computer virus delivered to offices in London, Edinburgh and elsewhere were infected with a "virus" which could seriously affect any system into which they were loaded.

Immigrants arrested EIGHTEEN of 64 cleaners arrested at BP's City of London offices on suspicion of breaching immigration regulations were served with deportation notices yesterday.

Airport standstill Manchester Airport, Britain's third busiest, remained closed to all passenger flights yesterday, disrupting services to North America and Europe, as concession holders started to lay off staff and close down shops because of a strike.

Hill Samuel case Five men accused of conspiring to defraud Hill Samuel, the merchant bank, were yesterday committed by Guildhall magistrates for trial.

Port dismissed Dismissal notices were yesterday sent to more than 700 dockers taking unofficial industrial action which has disrupted sailings at Felixstowe.

W German job talks Mr Peter Brooke, Northern Ireland Secretary, said economic development officials are negotiating with two West German companies which could create several hundred jobs in Northern Ireland.

Company to demerge subsidiaries to relieve crippling debt burden Eagle Trust board unveils rescue plan

By Richard Tomkins, Midlands Correspondent

THE new board of directors of Eagle Trust, the mini-conglomerate at the centre of an investigation by the Serious Fraud Office into the alleged misdirection of funds, yesterday unveiled a rescue plan aimed at salvaging some value from the company for its shareholders. It will mean demerging some of the group's subsidiaries into sub-groups to relieve them of the crippling debt burden built up by the parent company as a result of the financial irregularities now under investigation. Mr David James, the company director who stepped in as Eagle's chairman in September, told a meeting of about 300 Eagle shareholders in Birmingham yesterday that the parent company had incurred losses of £64m, wiping out shareholders' funds and leaving a deficit of some £20m. The parent company's bank debts of £200m were now so great that although many of the subsidiaries were profitable, they could not make enough money to pay off the parent company's interest charges, still less reduce the deficit. The new board's plan is to hive off some of Eagle's subsidiaries into two smaller holding companies: a film and television group comprising Samuelson and Cine Holdings, and an industrial group comprising Mitchell Somers, John Sydney and Trio Containers.

The rest of the businesses will be divested, and the proceeds - which Mr James estimated could reach £30m - will be applied to bringing down the parent company's debt. Residual debt will be split between the two sub-groups. Eagle's 32,700 shareholders will receive shares in either or both of the new companies in proportion to their existing holdings. Eventually, the aim is to bring the new holding companies back to the stock market. Mr James told shareholders that £27m of Eagle's losses stemmed from the group's involvement with Eagle Express, the parcels subsidiary which is now in liquidation.

Continental debut for traditional mint crisp

By Alice Rawsthorn

A basket of the British dinner party, Elizabeth Shaw mint crisps, could fall into Scandinavian hands if Huhtamaki, the Finnish food group, succeeds in its attempt to buy the business. Huhtamaki has been associated with Elizabeth Shaw - which makes liqueur chocolates, children's chewies and Parkinson's boiled sweets as well as mint crisps - since the spring when it acquired a minority shareholding to support a £24m management buy-out from Hanson. It has since added its UK confectionery products to Elizabeth Shaw's portfolio and the two companies have developed its use of Huhtamaki's distribution system to introduce Elizabeth Shaw's mint crisps and boiled sweets to other countries.

Huhtamaki, through the Leaf Group, its UK subsidiary, has approached Shaw to take full control of the company. It presently holds 30 per cent of the equity. The two companies are still in discussions, but the deal is expected to be concluded early next year. Elizabeth Shaw has passed through the hands of a number of different owners in the 1980s. It was bought by the Imperial Group in 1986 and then by Hanson - when it was pounced on Imperial - the following year. This spring it was its independence as one of several food businesses to stage buy-outs from Hanson. The company, which employs around 800 people, owns a chocolate factory in Bristol and a confectionery factory in Southampton. It made operating profits of £2m on turnover of £30m in its last financial year. The addition of Leaf's products has boosted its turnover to £40m.

Mr Geoff Matthews, managing director, said Elizabeth Shaw could continue as an independent company but it needed to secure additional capital to expand internationally. Huhtamaki, he said, would offer access to the necessary capital and provide the distribution network needed to introduce Elizabeth Shaw mint crisps to the continent.

Clarke rules out pay formula for striking ambulance workers

By Fiona Thompson, Labour Staff

THE increasingly bitter ambulance strike reached a deadlock yesterday as Mr Kenneth Clarke, Health Secretary, ruled out ever giving ambulance workers a pay formula or review body - the main plank, along with this year's pay award, of the 13 week-long dispute. In an interview with the Financial Times, Mr Clarke towards the claim lodged by the five unions representing the bulk of the country's 22,500 ambulance staff. He stressed that under no circumstances would he intervene and order the NHS management to pay more money to end the dispute. The 9 per cent offer over 18 months was final. He dismissed support shown for the ambulance workers by the public in a series of opinion polls as due entirely to their popularity, not any understanding of their pay claim. Mr Clarke's comments came as ambulance crews in London voted to boycott, from 7am tomorrow, emergency calls going through official channels and act only on pleas for help made directly by the public, police, hospitals, local doctors and firefighters. Crews have said they will circulate a list of ex-directory numbers for people to ring. At this moment, all emergency calls in London are being passed through to the police, army and voluntary services. Mr Chris Spry, general manager of the South West Thames regional health authority, which runs the London service, described the escalation of the dispute as "an extremely dangerous step and the most significant threat yet to patient safety". The decision to step up action came on the eve of talks between management and unions this morning, which already had a question mark over them. Mr Clarke said that if the deal was not accepted by enough ambulance staff, management would presumably in due course impose it. The unions have claimed throughout the dispute that Mr Duncan Nichol, NHS chief executive, has been following orders from Mr Clarke. But Mr Clarke denied he had any role to play in ending the dispute.

Government claims 99.95% response to poll tax registration

By Richard Evans

AN AVERAGE 99.95 per cent of people liable to pay the community charge, or poll tax, in England and Wales from next April have now registered across the country, the Government claimed yesterday. The figure for the City of London is a remarkable - some would say miraculous - 145.5 per cent. The figures, reminiscent of the turn-out in Soviet elections in the pre-Gorbachev era, would mean that fewer than 15,000 have failed to register across the country. They were treated with the deepest scepticism by local authority leaders and by politicians. "I don't want to belittle the marvellous job councils have done, but this is ridiculous. It just shows up the silly basis of the comparisons and the paucity and inadequacy of the figures," said Mr Martin Pilgrim, under secretary for finance at the Association of Metropolitan Authorities. It was a typical reaction. The figures are based on a Government estimate that 25.6m adults are eligible to pay the charge, and this in turn is based largely on 1991 census figures, updated by the Office of Population Censuses and Surveys from National Health Service and other sources. The figures are acknowledged to be inadequate and out of date. What the comparisons do appear to show, though, is that the campaign by some Labour-led local authorities - opposed by the national leadership - to discourage registration has failed although the numbers of those registering as a proportion of the eligible population is bound to be less than the government's claims. Mr David Hunt, Minister for Local Government, told the Commons that the returns represented a triumph. "The Government is on course for a successful introduction of the community charge next year - 99 per cent registration represents a major success in any terms," he said. The figures inevitably show a wide range of registration levels, partly because of demographic changes and partly because of variable enthusiasm and competence among local authorities.

Renault arm plans to cut UK workforce

By Kevin Done, Motor Industry Correspondent

RENAULT Truck Industries, the UK truck assembly subsidiary of Renault Vehicules Industriels of France, is to cut its workforce by 28 per cent in continuing losses and the recent sharp downturn in the UK commercial vehicles market. RTI said that it was planning to reduce its 1,070-strong workforce at its Dunstable plant and at its Elmdon, Birmingham, heavy and service centre, by around 300 during the first half of 1990. The cuts will chiefly hit the company's hourly paid employees in its manufacturing and machining operations in Dunstable. "The company said the job cuts had been forced by the 'decline in the UK economy with its negative effect on the road transport industry and the consequences for the truck market." Despite speculation about RTI's long-term commitment to maintaining a truck assembly capacity in the UK in the face of long years of losses, Mr Dieter Merz, RTI managing director, said, that RTI, the parent company, had "no intention whatsoever of closing the Dunstable plant". RTI has staged a dramatic financial recovery in the last three years after years of very heavy losses in France, but it has failed to turn round its operations in the UK and in the US, where Mack, its US affiliate, is also running up big losses.

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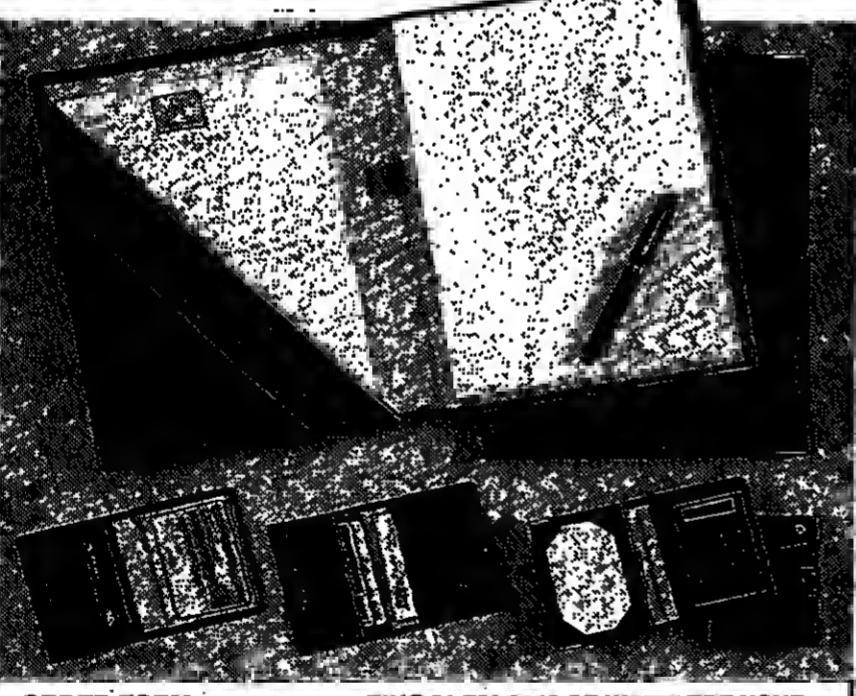
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COURVOISIER XO THE BORN LEADER. Image of a bottle of Courvoisier XO Cognac with a detailed label and a signature at the bottom.

UK NEWS

# Government softens stance on golden shares

By Charles Leadbeater, Industrial Editor

THE Government yesterday signalled it was ready to adopt a more sympathetic approach to bids for privatised companies after saying it was unhappy about holding golden shares which generally limit foreign ownership.

Mr Nicholas Ridley, the Trade and Industry Secretary, told a House of Commons committee that the Government had reservations about holding golden shares in privatised companies, particularly where the shares have a limited lifespan.

He argued that the shares' restrictions on foreign ownership may become increasingly out of place as investment decision had to be seen in an international, and particularly a European, context.

Mr Ridley's comments cast further doubt on the Government's commitment to the 11 golden shares it holds.

The Government waived its

right to use its share in British during its takeover by BP and in October Mr Ridley cleared the way the Jaguar takeover by Ford of the US waiving his right to prevent a foreign takeover.

Companies such as British Steel and the privatised water companies, where the Government holds shares with a duration limited to five years, will become more likely takeover targets. The Government may be increasingly reluctant to use golden shares in future privatisations.

Mr Ridley said he could not imagine circumstances in which the Government would redeem those special shares which are indefinite life.

It has emerged, however, that British Aerospace, the largest company with an indefinite golden share, has become increasingly critical of the way limits on foreign ownership inhibit its ability to take part

in the restructuring of the European defence and aerospace industries.

A memorandum BAE has submitted to the committee on trade and industry suggests that the company would prefer the share to be redeemed.

The committee launched its inquiry after the waiver of the Jaguar share 14 months before it was due to expire.

A special share can enshrine a variety of conditions in a company's articles of association, ranging from limits on foreign ownership to the composition of its board of directors.

Most of the shares have an indefinite duration but some are intended to offer a company temporary protection while it adjusts to the commercial environment.

Mr Ridley, responding to criticism that his Jaguar decision tipped the balance in favour of Ford and away from

General Motors - the partner preferred by Jaguar senior managers - said: "The evidence from Jaguar is that far from being a great help the golden share was a complication and not a desirable thing to have."

The Government had reservations about golden shares because they created dilemmas which it should not have to face. Whether it decided to waive or keep its golden share in the midst of a bid, the Government was in danger of discriminating against one bidder in favour of another, he said.

Mr Ridley implicitly accepted that the shares could serve as a shield to protect managers from the discipline of takeovers. He said his decision to waive the Jaguar share was justified by his responsibility to allow shareholders to consider a full bid. This came second only to his responsibility to consider the national

interest.

Increasingly, however, the interests of the European Community were replacing the British national interest as the overriding criteria for assessing ownership, he said.

The BAE memorandum notes six disadvantages with the golden share which limit the company's profile in overseas financial markets, suppress its share price and cloud strategic choices which might involve cross shareholdings with foreign defence contractors.

VSEL, the submarine manufacturer, said the Jaguar decision had made it realise that its golden share would not necessarily protect it from foreign takeover.

Most of the other privatised companies which submitted evidence said their golden shares made little difference to their business and were generally effective in limiting foreign control.

# Matsushita to link with Edinburgh company

By James Buxton, Scottish Correspondent

MATSUSHITA Electric Industrial, one of the world's leading electrical and electronic groups, is to pay £5.5m to form a partnership with Office Workstations, an Edinburgh-based software company.

Office Workstations (OWL), which had sales last year of £2.3m and employs 89 people, is a leading provider of software systems enabling computers to read and write electronic documents.

Under the agreement Matsushita, whose brand names include Panasonic, Technics and National, will purchase 62 per cent of the shares of OWL for £2m while maintaining it as an independent company under its existing management. It will also inject £1.5m to finance further expansion.

It is likely to place substantial orders with OWL and will buy the remaining shares after five years. OWL was founded in 1984 by engineers who spun out of a former ICL plant near Edinburgh. It specialises in hypertext systems, which enable users to browse on computer screens through very large amounts of text and graphics stored on compact discs. It has developed Guide, which it says is one of the leading hypertext systems for use with personal computers.

It envisages a rapidly expanding market for users such as lawyers and academics. Matsushita, which had 1989 sales of £42bn, wants to use OWL's technology to develop products for the consumer electronics market.

OWL's products also fit in with other Matsushita objectives including developing office equipment and document management systems.

Mr Ian Ritchie, OWL's founder and managing director, said he believed OWL could become the research and development arm of Matsushita in Europe. The deal would strengthen OWL's engineering clout. Half its sales come from the US where it has an office near Seattle for sales and marketing, though its headquarters and research and development are in Edinburgh. It forecasts turnover of £8.5m in 1991.

OWL only moved into profit last year but realised that it needed to find a larger partner and had discussions with US and European companies.

OWL's investors are the Scottish Development Agency, Investors in Industry (SI), Syn-tech, a high technology investment company and Candover Investments, the management buyout specialists, as well as its own founders.

Alan Cane writes, Aregon Group, a computer software company established under the aegis of the National Enterprise Board during the last British Labour government, is merging with Kapitl, another privately owned UK software house, to form a new organisation also called Kapitl and specialises in financial computing systems.

# Taurus saga ends with stock market system compromise

By Richard Waters

AFTER eight years of effort, yesterday brought the go-ahead for the London stock market's automated clearing and settlements system, Taurus.

Formal approval for the system came at a meeting of the securities industry steering committee on Taurus yesterday morning.

The decision provided it with the support of the wider City interest groups which have yet to see details of the plan - ends a saga of indecisiveness and mismanagement over the design for the system.

One big technology company commented recently that it had first been treated to a presentation on Taurus from the Stock Exchange in 1982. The Exchange had made further presentations as designs came and went, culminating in one this summer, yet even this was not the design which has now been adopted.

Asked after yesterday's meeting whether the latest version really is the one that will get built, one member of the committee said: "If this isn't it, God knows what is." A great deal of consultation had been carried out first, he said.

Approval for Taurus was only made possible after an eleven-hour compromise which effectively means that two parallel systems will be

built, rather than one. This was because no single system could be found which was flexible enough to meet the concerns of all parties involved - principally brokers, registrars and listed companies.

Under one system, clearing and settlement will remain exactly as at present, but with the paper removed from the system. Registrars will continue to maintain listed companies' share registers, while brokers will be faced with no greater responsibilities than they have at present.

Under the other, the sole record of shareholdings will be with brokers or others who opt to become what are known as "undesignated Taurus account controllers". To find out who owns their shares, listed companies will need to search through these records. A system, known as the listed companies access service, has been designed specifically for this task.

The committee which developed the latest design for Taurus hopes to gain support in principle by the end of March from those affected by it. It plans also to have carried out a cost-benefit analysis of its proposals by the same time.

Following this, there is likely to be renewed haggling as an attempt is made to allocate the development costs among those involved.

# Charter opens chapter in workers' rights

Labour says it is espousing the European Social Charter, Michael Cassell reports

WITH Mrs Margaret Thatcher back from Strasbourg, pledging a step-by-step, rearguard fight against implementation of the European Community's Social Charter, the issue seems set to remain close to the centre of the Westminster debate over what type of Europe is best for Britain.

Although Mrs Thatcher has chosen not to maintain her portrayal of the planned package of workers' basic rights and standards as a throwback to a marxist period, her opposition to the detail of what is being proposed remains absolute.

The British Government, she insists, has no objection in principle to a European social dimension or to a charter which advances that objective - particularly in areas like health and safety - but Mrs

Thatcher says the Government must be allowed to decide which elements of any social programme are a matter for Community and national consideration.

The test, according to Mr Norman Fowler, the Employment Secretary, is the impact any charter will have on creating new jobs and cutting unemployment - a priority in the completion of the single market. Labour costs, ministers claim, will inevitably rise.

Mrs Thatcher has already claimed that Labour's plans to implement a statutory minimum wage - a proposal not actually contained in the Social Charter's lengthy action programme - will raise unemployment by 500,000 in three years.

In the next election manifesto, Labour will promise a minimum wage starting at 50

per cent of male median earnings, raising pay for around 4m people. The figure will ultimately be raised to two-thirds of median earnings, though there are no promises about timing.

Mr Tony Blair, Labour's employment spokesman, claims that the measure will have "no serious effects" on labour costs, a view he bases on the experience of other countries which have introduced such measures.

Ministers vehemently disagree and are also alleging that part-time jobs, principally involving women, will be particularly vulnerable under the charter. They claim that young people will also lose out under any Brussels-imposed employment laws.

Mr Blair last week invoked the assistance of Mrs Vassou Papandou - the responsible

EC Commissioner whose remarks have been quoted in support of both sides of the issue - to deny the Government's claims. In response, she alleged "purposeful misrepresentation" on the part of UK ministers.

Mr Blair admits that no one knows what the overall impact of the charter will be on unemployment. He adds: "It is only the Government which espouses certainty about this. The principal reason that I am in favour of the charter is not because I am certain that it will create jobs in the long term. It is difficult to judge the balance of that."

But he says the spectre of massive job losses is "inherently unlikely," not least because many EC countries with excellent employment records have already implemented charter-type rights.

Labour may have its own reservations about aspects of plans for stepping up European integration - notably in the form of pre-conditions for full British membership of the European Monetary System and opposition to the next planned steps towards economic and monetary union - but on the Social Charter there are no qualifications.

Mr Blair says Labour will not "pick and choose" as Mrs Thatcher is trying to do and that it will sign up for the entire charter.

To Mr Blair, the charter is about looking ahead. It has, he insists, polemic importance for the party because it shows it "leading the charge" on workers' rights. To Mrs Thatcher, it is a charge towards unacceptable uniformity and unemployment; the battle is only just beginning.

# Survey says retailers reject irradiated food

By Philip Rawstone

TWELVE of Britain's biggest food retailers have decided they will not stock irradiated food, the pressure groups Friends of the Earth and the London Food Commission claimed yesterday.

Their survey of retailers showed only one supermarket chain, J. Sainsbury, willing to sell the treated food if the current ban is lifted by the Government's Food Bill, now in the House of Lords. The groups called on consumers to press the company to change its decision.

Retailers which have rejected irradiation because of safety uncertainties, environmental concerns and lack of

consumer demand, are: Asda, Budegas, Co-op, Gateway, Iceland Foods, Littlewoods, Londis, Marks and Spencer, Spar, Tesco, Waitrose, and Walter Wilson.

FOE's survey showed Kwik Save and Safeway still undecided.

Mr David Gee, FOE director-designate, said yesterday: "In rejecting food irradiation, these major retailers are showing a concern for the health and safety of their customers."

"If the Government ignores the overwhelming rejection of food irradiation by trade and public alike, consumers will have no choice but to vote with their purses."

# Population leaving cities

THE population drift is continuing from the cities to the countryside and coast, according to the latest edition of Population Trends, the Office of Population Censuses and Surveys quarterly journal.

The overall number of people in the UK rose by 135,000 last year to 57.1m, but the populations of London and other big cities fell.

The population of Greater London has been relatively stable in recent years after large losses in earlier years, but a

fall in 1987-88 was large enough to show an average annual loss of one per 1,000 during 1984-88 as a whole, it says.

In the same period, the population of Britain's principal cities fell by five per people per thousand and the metropolitan counties two per thousand.

Emigration in 1988 was 237,000, the second highest in the past 10 years and not emigration 21,000.

Population Trends 58 (Winter 1988). HMSO: £5.50



Michael Chow, restaurateur and architectural designer, Los Angeles. An aficionado of fine cuisine and fine art, Europe is his cherished source of inspiration. When he feels that sudden urge to take an idea from the Old World straight to a project site back home, Michael Chow has the perfect recipe: Swissair plus Delta Air Lines. A team with class.



MANAGEMENT: Marketing and Advertising

For years wealthy and would-be wealthy women have tripped along the Rue Faubourg St Honoré in Paris and Fifth Avenue in New York laden with luggage bearing the tell-tale initials of Louis Vuitton.

# Vuitton tries to keep exclusivity in the bag

Alice Rawsthorn on the luxury goods maker's design-led strategy



Françoise Jollant-Kneebone: her team of 29 includes four designers and 11 craftsmen

While they have battled everywhere from the French courts to the pages of the financial press, a quiet revolution has been wrought at Louis Vuitton.

Vuitton is one of the most profitable parts of the LVMH empire. Its insistence has boomed in the 1980s as sales of luxury goods - like its monogrammed luggage - have soared. But there is a danger of Louis Vuitton becoming too successful. Somehow it must strike a balance between continuing to increase sales without jeopardising the exclusivity which is essential to the appeal of its products.

Three years ago it introduced *cuir épi*, its first new range of products for years. From now onwards it intends slowly but steadily to bring out other collections in an attempt to appeal to the generation of young consumers who may see its monogrammed bags as a little too ostentatious.

Louis Vuitton traces its origins to the 1820s when its eponymous founder walked all the way from the provinces to Paris where he was apprenticed to a trunk maker. He made his name by packing the Empress Eugénie's trunks without ceasing her crinolines.

In the 1850s he opened his first factory to make canvas-covered trunks. The company made some as standard and others to specification. One was designed with a folding bed inside for Pierre Savoyan, the African explorer. Another was made for Charles Lindbergh, the aviator. Whenever wealthy Europeans boarded luxury liners to cruise around the Mediterranean or across the Atlantic, they were invariably accompanied by Louis Vuitton luggage.

Vuitton has been the name in luxury luggage ever since. But by the 1970s it was struggling to stay afloat as a small family firm with two shops and sales of FF70m (€5m). Henri

Racamier, the steel tycoon who had married a Vuitton heiress, was drafted in to succeed his mother-in-law and run the company.

Racamier overhauled Vuitton's distribution by withdrawing its products from department stores - except those in the US - in favour of selling them through its own shops. His biggest coup was to develop the Japanese market. The streets of Tokyo and Osaka are now crammed with conspicuous consumers all carrying Vuitton bags.

Vuitton mustered turnover of FF8.3bn last year, more than 80 per cent of which came from outside France. It now owns 140 shops, including "corner shops" in department stores all over the world.

Louis Vuitton sells on an unshamed image of luxury. But one of the most important elements of luxury is exclusivity. The sheer profusion of monogrammed bags and the flood of cheap copies made by counterfeiters means that - like other totems of conspicuous consumption, Rolex watches, or Porsche cars - Vuitton is in danger of being seen as a symbol of the nouveau riches, rather than the old money with which it was originally associated.

There is no sign of a slow-

down in sales of monogrammed bags. Sales are still soaring in Japan, which is now the company's biggest single market. A quarter of all Vuitton products was sold in Japan last year and another quarter was sold to the Japanese travelling in other countries. And sales are also increasing in Europe.

Vuitton works hard to preserve its image of luxury and exclusivity. The production process at its French factories is still highly skilled and labour-intensive. The suitcases made at its original factory in Asnières on the outskirts of Paris contain 800 nails all banged in by hand. Every year it devotes an amount equivalent to 2 per cent of turnover to stamping out counterfeiting.

But as the company is well aware, there are some people who would never buy a monogrammed bag. Françoise Jollant-Kneebone, who arrived at Vuitton three years ago from the Georges Pompidou Centre in Paris where she was head of design, was once quoted as saying that she would not have thought of buying a Vuitton bag before she joined the company.

"There are some people who will never buy a monogrammed product," she says. "They do not want initials stuck over everything."

Vuitton's solution is to use its skills in luxury luggage by bringing out new products for different types of consumers. It started in 1986 with the introduction of *cuir épi*, a plain coloured range of bags in etched leather with just one - very subtle - set of LV initials. *Cuir épi* now provides 10 per cent of the company's sales.

The success of *cuir épi* encouraged Vuitton to consider introducing other new designs. Early in 1987 it brought in Jollant-Kneebone as its first director of design to revise the existing ranges and to work on new collections.

She arrived to find a "design department" composed of one designer. "The company had been working on its original styles for so long that it really did not need designers," she says. Today she has a team of 29 people, including 4 designers and 11 craftsmen working on prototypes.

One of the most important parts of their work is to review and revise the existing range. One project is to develop a new range of soft-topped monogrammed suitcases. Jollant-Kneebone insists that the changes should not be dictated by fashion. "Vuitton is not into fashion. When we put something into the range it is there forever."

The design team is also working on new collections. A new version of *cuir épi* - *épi partielle*, where the etched leather fades into a smooth finish - will be launched next year. It will also introduce a new range of dark green, cross-grained leather.

Buffalino, a new collection of travel bags, will come out too. These bags will be made in sturdy leather to complement *cuir épi*, which is too soft to be hurried on and off airport carousels. Initially buffalino will be made in brown, to match the monogrammed collection.

Vuitton has also already diversified into new product sectors such as pens and watches, which are made by specialised production units at other companies.

As Jollant-Kneebone admits, initially it was difficult for the company to adapt to the arrival of a new phenomenon like a design department. These difficulties were compounded, she says, by the fact that designers work "transversally", or across the company, by dealing with every department.

The use of external designers who work with the Vuitton team by contributing "new ideas" to various projects, has also been difficult. Some designers saw themselves as "stars", she says, who simply detailed ideas to the company. She sees their role as collaborative, working alongside the internal designers and the craftsmen on long term projects.

One of the chief difficulties was that Vuitton's sales were rising so rapidly - by 30 to 40 per cent a year - that its factories were already struggling simply to satisfy demand for the original ranges. This meant there was little capacity for new products. "This problem has been resolved by creating special teams within the factories to work exclusively on the new designs."

Vuitton's objective is that the new designs should provide 25 per cent of its sales - against 10 per cent today - within three years. All the new collections are designed to occupy the same luxurious niche as its original products. One of the chief challenges for the future will be to ensure that the new designs do attract new consumers, rather than simply stealing sales from the traditional styles.

Perhaps the toughest test of all will come next year when a new collection of dark green leather goods will be introduced - bearing the tell-tale initials of Louis Vuitton.

## Off-course gambling

# Betting on a younger generation

Philip Rawsthorn on the aims of Ladbroke's latest campaign

Some 25bn will be gambled this year in the UK's 10,000 betting shops - a 50 per cent increase since 1986.

Off-course betting is big business, as leisure group Brent Walker's recent £650m purchase of the William Hill/Mecca chain of 1,500 shops confirmed.

The betting boom is also good news for the Treasury which last year extracted £47m in duty from the £5.3bn off-course betting turnover, more than double the pre-tax profits of the entire bookmaking industry.

It is not yet an essential part of the British way of life, off-course betting is certainly playing a larger role in the public's leisure.

When Ladbroke, the UK's biggest betting shop operator, researched the market in the early 1980s, it found a gambling clientele that was ageing and declining in numbers. Now the 4m regular gamblers include a growing proportion of young, up-market punters who look on a flutter as fun rather than a serious way of trying to make money.

Ladbroke this week launched a £5m advertising campaign designed - by Saatchi & Saatchi - to encourage this trend and to try and secure a greater share of a growing market than its competitors.

The trend owes little so far to traditional advertising and marketing. The 1980s legislation not only restricted the number of licensed betting offices but imposed severe legal constraints on advertising their operations. Bookmakers cannot advertise the address of a betting shop in a

newspaper, or advertise their products in the shop window. They must not allow people outside the shop to see what is going on inside.

Such restrictions have been offset, however, by the coverage of racing and betting in most of the national daily newspapers and on television; though until 1986 the betting shop remained the only place where it was against the law to watch television.

But as the big bookmakers began to dominate the industry - reducing the number of betting shops in the process from around 16,000 in 1986 - the Government finally yielded to their lobbying and to more relaxed social attitudes.

## Live coverage

In 1986, it allowed television into the shops, and soft drinks and light refreshments as well. The change in the law led not only to betting shops showing racing transmitted live by the BBC and ITV, but to the development of a customised video service of live horse and greyhound racing - delivered directly by satellite.

Satellite Racing, or SIS, set up by the bookmakers has been one of the principal generators of the growth in off-course betting turnover. It now brings live races to betting shops from Hong Kong as well as British tracks, and transmits sound commentaries as far afield as Barbados and Sri Lanka.

Other changes have made betting more convenient and entertaining. Ladbroke, which had largely confined its advertising to listing ante-post prices in the racing press, has

turned to British Television's premium rates service to provide racing information and commentaries, football scores, and other sports news. Regular up-dated betting information on sports events from snooker to golf are also shown on ITV's Oracle teletext.

And in the past three years, Ladbroke has spent £20m improving its betting shop furnishings and facilities, though it admits they are generally still below the standards that are likely to be demanded in the 1990s.

"A lot of new people are coming into the market place," says Colin Walker, Ladbroke's marketing director, "and they are very different from the traditional image of the older, regular gambler, seriously studying the racing form to pick a four-horse bet."

"The newcomers tend to add zest and excitement to their interest in many different sports. It gives them a greater sense of involvement to wager on the winner of a golf tournament or who scores the first goal in a football match. Their attitude to betting is that it is nice to win but losing is not the end of the world."

National posters and press advertising will seek to associate Ladbroke with the fun and excitement. "Bet It's more exciting" will be the constant theme of the advertising which will cover several sports including horse-racing, soccer ("It will feel like a whole new ball game."), and American football ("Bet your bottom dollar").

With more and more sport on more and more television channels, our business can provide an added flavour," says Walker.

## Marketing abstracts

Hewlett-Packard direct marketing. *L O'Driscoll in Direct Response (UK), May 89 (3 pages)*

Essentially an interview with HP's UK market development manager, this traces the development of direct marketing from an unco-ordinated state in 1965 through to the introduction of a customer information centre which provides all direct marketing

activities as well as sales leads. Looks at how this centre links with telesales and the sales force in creating a "closed loop marketing information system" and in establishing greater efficiency (from an estimated 75 per cent of leads thrown away, as they were thought - by the salespeople - to be a waste of time, this is now down to 10 per cent). The making of a new corporate image. *C Cujet in The Journal of Business Strategy (US), May/ Jun 89 (3 pages)*

Examines the importance of corporate identity as the most visible element of corporate strategy and gives examples of US companies who have changed their identity (and name) to reflect changes in their original mission - such as American Can (diversified conglomerate), which dropped the name and became Primerica, gives advice on image reshaping.

These abstracts are condensed from the abstracting journals published by Asher Management Publications. Licensed copies of the original articles may be obtained at a cost of £5 each (including VAT and p+p each with order) from Asher, 10000 Deer Lane, Bedford, West Yorkshire BD8 3BY.

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TECHNOLOGY

The day when computer users will be able to talk to computers in their native language and receive a spoken reply is advancing more rapidly than anyone could have predicted.

Alan Cane says the multilingual system that will respond to continuous speech is not far off

Computer with a good line in chat

OKAY, WHO TAUGHT THE TALKING COMPUTER THAT WORD?



ROGER BEALE

Computers can already be taught to recognise individual words from a variety of speakers with more than 99 per cent accuracy. The real test, however, is to create a computer system that can recognise contiguous speech - complete, uninterrupted sentences.

Pol Hauspie, co-founder of Lernout and Hauspie, a small Belgian company that is rapidly making a name for itself in speech products, believes such an advance is only five to seven years off.

Computer systems have been built that will recognise up to 50,000 individual words. They are used for example in "intelligent" typewriters that turn speech into printed text.

To move within a few years from such a comparatively modest attainment to something that seems closer to science fiction would be a spectacular technical and philosophical achievement.

What is giving computer speech researchers the confidence that it will happen, however, is rapid advances in two important technologies.

First, the new commercial availability of rewritable (read-and-write) optical disk drives provides the enormous capacity needed for digital speech storage.

Second, new kinds of computer software are available which analyse speech patterns in more profound and contextual ways than earlier comparative techniques.

developed a system which will accept typewritten speech in a number of languages and output a comprehensible spoken sentence. Such techniques take national and regional variations into account. Imagine, for example, typing in French the sentence "Stop in the name of the Law" into the Lernout machine. In French speaking mode, it will repeat the sentence perfectly comprehensibly.

Three principal areas of investigation are common to these efforts: Digitisation of speech. Turning the sentence into the computer language of 0s and 1s - and storing it in such a form that it can easily be retrieved.

research in these areas, but its chief strength is the way it "packages" the work of others - chiefly research carried out in the universities of Ghent, Maastricht and Louvain.

assisted voice storage system which is already being used in banks, dealing rooms and by the police.

In many stock markets, for example, it is now mandatory to record all transactions between dealers using multi-track tape recorders.

A hands free car telephone system is available which is controlled by a set of simple commands. What makes this system special is that it operates efficiently even against background noises - radio and heater fans running - that make ordinary conversation difficult.

Among other offerings are a telephone banking system, a job information system and a market research system.

The firm was founded by Jo Lernout, who worked in Belgium for the US minicomputer manufacturer Wang, and Hauspie, whose earlier activities included accountancy and software.

It has a five-year strategy which begins with call logging and voice mail applications and moves on to hands free systems such as the in-car telephone and voice dictation.

Instead, a tiny low-powered radio transmitter is combined with a sensor to warn when the temperature falls below a specified level.

The radio telemetry system, from Radio Data Systems, of London, can be attached to devices other than temperature sensors - to monitor the workings of a pump, for instance.

AN electronic invention from Sweden is helping to bring the black art of discovering underground water into the 1990s.

The portable device, called the Wadi, works by measuring

Natural gas travels by cab

LONDON'S black taxi cabs could be turning green, with plans to convert the vehicles to run on natural gas as well as on diesel fuel.

A technology developed by AFS International, of Calgary, enables diesel-powered vehicles, such as London's 17,000 black cabs, to switch to natural gas for about 95 per cent of their fuel needs.

The add-on unit requires no modifications to the diesel engine, although high-speed electronic valves have to be added to metre and deliver gas to each cylinder.

Temperatures turn on the radio SHOPKEEPERS, eager to convince their customers that their chilled or frozen food is safe, are turning to radio as well as refrigeration technology to prove the point.

Water detector gets into the flow AN electronic invention from Sweden is helping to bring the black art of discovering underground water into the 1990s.

The portable device, called the Wadi, works by measuring

the very low frequency radio waves which travel over the surface of the earth. These waves are affected by the underground composition of the rocks.

Standards must be maintained ON the face of it standards can appear extremely boring. But for companies installing computer networks the development of common standards will result in a greater choice of hardware and software and in cheaper products.

The cream of the technology crop FINDING information on the latest scientific and technological developments is no easy task.

For that reason Technical Insights, the New Jersey information and publishing company, has set up a database covering the most significant technical developments of the past 12 months.

The TechBase information is stored on a floppy disk and ordered into snippets, between 100 and 200 words long, describing each new development and its inventor.

There are three disks available. A general database covers developments in biotech-



WORTH WATCHING

Edited by Delia Bradshaw

technology, materials, optics and electronics, and costs \$650 (\$400) in the US and \$800 overseas. In addition there are two specialised databases, the first handling information on materials and coatings, the second on advanced manufacturing and sensor technology.

Dictionary that likes to talk

FOR those who find spelling an uphill struggle, help could now be at hand.

A hand-held computer in a case which not only checks spelling but pronounces the words out loud and gives you the meaning. The Language Master, from Franklin, of Florida, has more than 270,000 dictionary definitions and can pronounce 85,000 words.

To use the tool for checking a spelling, the approximate word is typed into the unit. It then offers a list of words which correspond most closely. If required, the Language Master can speak the word to ensure the correct pronunciation, or it can give a definition. In the UK version, sold by Venture Marketing of London, the American dictionary has been supplemented by an English one.

Alternatively, the user can fill in the known letters of a word and the widget will produce all the words that fit the given places - ideal for those who prefer a little help with their crossword puzzles.

For more details on print and database versions, please contact:

Contact: AFS Canada, 485 2nd St. East, Suite 100, London, ON N6C 2G8, Canada. Tel: (519) 837-2777. Fax: (519) 837-2778. Post: Japan, 3-535 19st, Spiga, Nakano, 2-334 2592, Technical Insights, 115, 201 2nd Ave, Franklin, NJ, 07034-0202, Venture Marketing, London, SW9 6PP.

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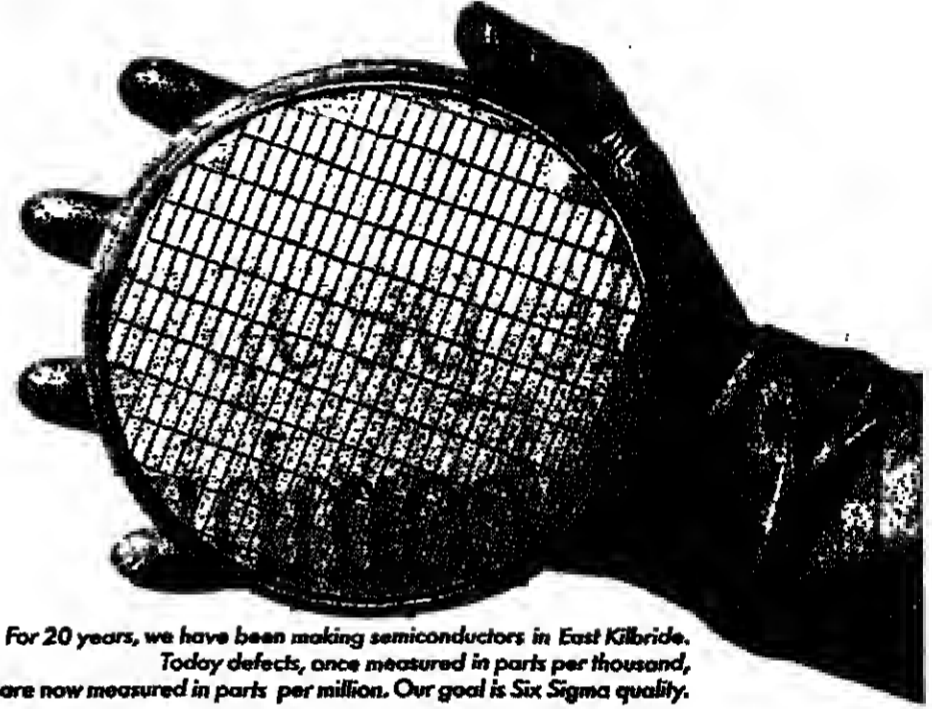
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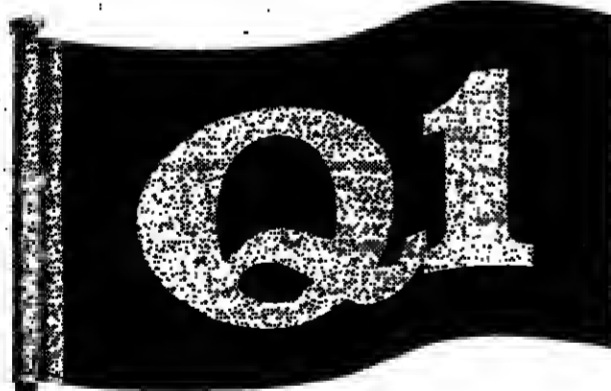
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ARTS

The Flying Dutchman

THE MET, NEW YORK

Everding's 1989 Bayreuth Dutchman was the first non-Wagnerian production...

As in earlier Met productions (Lohengrin and Rheingold), Everding has avoided picturesque, attractiveness, and romance...

Things may get better. We always say this after Levine first nights - and sometimes they do. And on his Wagner records the horrid balance we heard in the house gets adjusted...

Andrew Porter

CINEMA

Go mad across Manhattan

Oliver is a cat, the Artful Dodger is a dog, London is New York. And that whirring sound you hear may be Charles Dickens...

In the case of the ace kleptomaniac is "Tito." Voiced by Czech Martin, he is a tiny, insane, scene-stealing chihuahua...

Written by Jon Conolly and David Loucka and directed by Howard Zieff (Hollywood Cowboy), the movie is strangely unfunny and in bad taste...

The movie's belated moral, that the group's encounter with reality restores their sanity, merely adds a bogus insight to bona-fide injury...

Oliver and Company George Scribner

DREAM TEAM Howard Zieff

ROSELYNE ET LES LIONS Jean-Jacques Beineix

We especially enjoy the whiskered, Bavarian-trousersed circus boss peering down from his picture-windowed eyrie above the training arena...

Now that Beineix has been released from his role as the white hope of French art cinema, a role inexplicably conferred on him by some critics...

Books offer a frightening spectacle at Christmas-time. The entire sum of human knowledge appears to have fallen off the back of a lorry and been gift-wrapped for sale...

Depending on the strength of your coffee-table, you should consider four blockbuster volumes. The Art of Gorge With The Wind (W.H. Allen, £17.95) is a scholarly work with pictures...

Finally, outnumbered but unbowed, two serious-minded books on foreign cinema. Maya Turovskaya's Tarkovsky (Faber, £12.99) lays the great Russian director's films on the operating table...

Fassbinder, Herzog and Wenders: a movement that grew out of country whose cinema had died with Hitler and for a quarter-century had shown no signs of revival...

Nigel Andrews

Candide

BARBICAN HALL

Ten years ago, Bernstein's Candide used to be talked of like buried treasure. In the 1980s, it has been brought back to the light...

by Bernstein and John Wells and reinstates a choral, omitted since the Lillian Hellman 1956 original. This and the rearrangement of numbers in Act 2...

performance which the audience greeted with a standing ovation, was being video taped for future release. I enjoyed much about it and could already imagine twiddling a few knobs to enjoy it more...

Ludwig (I would twiddle knobs to catch every bit of her). Candide became more lovable just when watching her listen to it, her pleasure evident. Her flair in pointing words, her rich voice, her zest and relish...

Alastair Macaulay



Alex Jennings, Christine Kavanagh and Julie Peasgood

The Liar

OLD VIC

Jonathan Miller is back in business with this beautiful production of Corneille's Le Menteur (1643) in which he conveys this devil's story as a comic treat of the first order...

Itself derived from a Spanish comedy of deception, Le Menteur has its own special freshness in the picture it paints of a volatile social scene invaded by an ambitious figure of energy and resource...

Finally, outnumbered but unbowed, two serious-minded books on foreign cinema. Maya Turovskaya's Tarkovsky (Faber, £12.99) lays the great Russian director's films on the operating table...

Nigel Andrews

strained by the double requirement of inventing a story and making it scan.

Jennings's would-be cavalier sets out with idle intentions of winning in the Tulleries and ends up stuck in a double-dating mix-up with the simpering Lucretia (Julie Peasgood) and her friend, the more calculating Clarice (Christine Kavanagh)...

The colonnade of the Place Royale is also suggested, and the light (designed by Paul Pyant) changes from a mid-day heat-haze to a crepuscular glow for the night-time waltz. The stage looks lovely, but never precious. The mood is light and supple like the play...

Michael Coveney

Thomas Hampson at the Wigmore

The Gods of Lieder-singing clearly vied with each other to shower gifts on Thomas Hampson: he is profusely supplied with both the essential ones (beautiful, freely produced lyric-baritone voice of wide compass and dynamic range)...

Considering all this, one may reasonably feel disappointed at the negative effect of his latest London recital. It was devoted entirely to Lieder - Schubert, Wolf, Mahler. It sat easily on the voice. It was delivered in Mr Hampson's excellent fluent, flexible German. And for most of its course very little happened...

Alastair Macaulay

poise was recovered in time for Mahler. In this section of the programme likewise Mr Hampson's free, lyrical delivery brought greater rewards - his selection of Rückert songs closed with three of Mahler's slowest and most intensely felt creations, which successfully challenged him to show a keener involvement with musical sense as well as sound...

Neil Young HAMMERSMITH ODEON

Welcome back, old hippy. The wheel has turned full circle and somehow the long haired guy cradling the guitar like a last whisky and howling heavily into the harp as he lurches across the stage looks like an original. Even the old blue jeans, with gaping holes at the knee caps, and the battered leather jacket, are somehow the last word.

Neil Young started out as a Dylan clone in Toronto well over 20 years ago. Nothing has changed except that, unlike Dylan, he keeps his hair on the ball, being out with an amplified acoustic guitar more sound and fury than most electronic bands in his tirades against political injustice, commercialism, and the ills of the world.

Unfortunately if Young is little changed so is the world. He dedicates "Ohio," about the Kent University shootings in 1970 with its poignant chorus "four dead in Ohio," to the Chinese students who defied the tanks in Tiananmen Square. As a constantly work-

Antony Thornecroft

SALEROOM

Despite the gloomy rumours from retail art dealers the wholesale market for Victorian pictures seems strong, judging by Sotheby's sale yesterday which totalled £1.2m with under 8 per cent unsold. These were mainstream, pictures, but European, American and Japanese bidding, added to local demand, kept prices way ahead of estimate.

Antony Thornecroft

ARTS GUIDE

EXHIBITIONS

London The Hayward Gallery, The Other Story - an intriguing but uneven survey of the work in Britain since the war of artists drawn from cultures other than that of the western European tradition - weak in its socio-political and historical analysis but often strong in the individual work. Daily until February 4, except bank holidays.

Paris Musée des Arts Décoratifs. Je suis le Cahier - Picasso's sketchbooks. After two years of meandering the world over, the exhibition ends, aptly, in Paris. The 40 sketchbooks covering a period of 64 years follow closely Picasso's development. 107, Rue de Rivoli (63613214), closed Tues. Ends Dec 31.

Vienna Museum Ludwig, Bischofsplatzstrasse 1. The most comprehensive retrospective on Andy Warhol, who died in 1987, with around 160 pieces from New York. They can be seen only in Cologne until Feb 11.

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December 8-14

New York Metropolitan Museum. A decade of fabulous shows borrowed from around the world culminates in the present exhibit of the major works of Velazquez, much of which is borrowed from the Prado in Madrid. Ends Jan 7.

Washington National Gallery. Almost three dozen paintings of the early 20th century German movements, Bauhaus, Neue Sachlichkeit and Blaue Reiter, lent by the Thyssen-Bornemisza collection, make a telling commentary on a part of the world again at the centre of attention internationally. Ends Jan 14.

Tokyo Idemitsu Museum. Flowers of Edo. Paintings and prints of flowers from the Edo Period represent a new flowering in Japanese art, influenced by new trends in the decorative arts of China and by the botanical illustrations of Europe. Closed Mondays. Teien Museum, Meguro. Yasuo Kuniyoshi. Retrospective to mark the centenary of a Japanese artist who emigrated to the US as a teenager. His earlier work is glum and faux-naïf, but in his last decade his palette was liberated and he produced a remarkable series of grotesque images of clowns and carnival.

VACHERON CONSTANTIN advertisement featuring a watch and the text 'The World's Most Valuable Manufacture'.

Post-Reithian broadcasting

IN BRITAIN, the average person watches television for 25 1/2 hours a week. This is equivalent to roughly 60 per cent of the estimated leisure time of the average employed adult. Like it or not, television plays a very significant role in national life. It moulds attitudes and influences the way people live. The reforms set out in the Broadcasting Bill thus constitute some of the most important legislation to be presented to Parliament in recent years.

Once past this hurdle, the franchisees will be awarded to the companies offering the highest cash bid. In theory, the ITC will be able to impose financial penalties on franchise-holders who renege on quality commitments.

Does not exist
One response is to argue that this does not matter: the BBC and Channel 4, after all, will provide quality broadcasting. But the Government should recognise that the economic turnover of commercial TV (which is roughly equivalent to that of Britain's 7th largest company) falls far short of its overall value to viewers. It thus makes no sense to lay greater emphasis on the maximisation of Treasury receipts than on the promotion of quality.

Ill-defined threshold
The biggest source of controversy is the proposed auctioning of Channel 3 and 5 licences. Under present plans, applicants will have to meet an ill-defined quality threshold, which is likely to prove much less onerous than the present programming requirements imposed on ITV companies.

Rallying the institutions

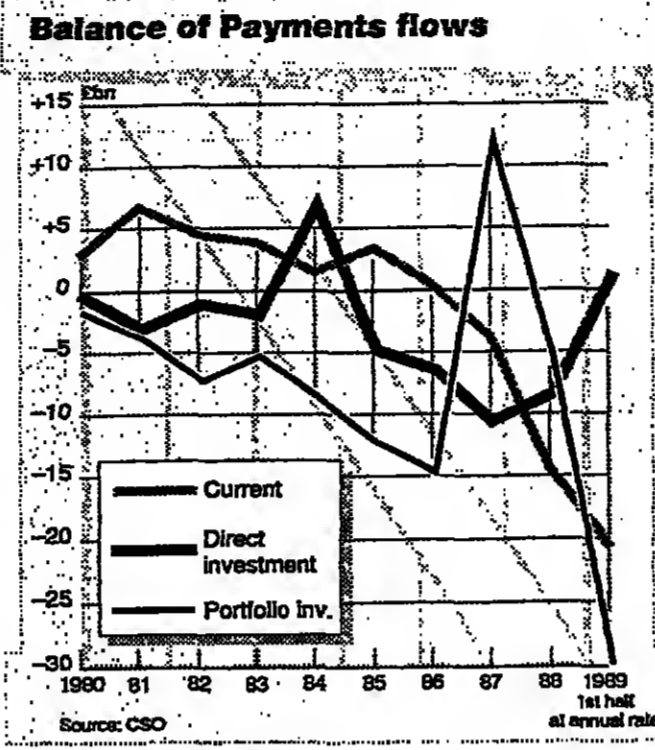
FOR THOSE WHO believe in liberal economics the Anglo-Saxon capital markets have always been something of an irritation. On the face of it, their apparent efficiency ought to provide a model for countries with less well developed financial systems. Yet the performance of the industrialised countries in the post-war world suggests little or no correlation between financial sophistication and economic growth. Nor would anyone claim that the British capital markets, with their excessive reliance on takeovers, have been conspicuously successful in helping to arrest the decline of older industries.

Conflict of interest
That is not to say that Mr Charkham is short of constructive ideas, especially in relation to the one new feature of the financial system which draws the interests of shareholder and manager back together: the management buy-out. In a perceptive analysis of the conflict of interest inherent in buy-outs the paper rightly points out that shareholders, unlike a target company management in a hostile takeover, are caught without warning and without a plan. The people they have relied on, including the company's advisers, have changed sides and enjoy an unfair information advantage.

Legal duties
The author of the Bank of England's paper, Mr Jonathan Charkham, argues that a more informed dialogue between institutions and companies is in the institutions' own interest. Collective influence could, he believes, be brought to bear more rapidly and the boards of major companies should be required to have a minimum proportion of independent directors with the same legal duties as executive directors.

ECONOMIC VIEWPOINT
Bogey of the basic balance
By Samuel Brittan

I have just been reading the highly engaging Memoirs of Reginald Maundling (Sidgwick and Jackson, 1978), who was Chancellor of the Exchequer from 1962-64. Like Nigel Lawson in 1983-89, he made, as he put it, a bid to secure "expansion without inflation, the end of stop-go and a break-out from the constrictions of the past."



For most assets are highly liquid in today's liberalised international capital markets. Neither official statisticians nor Treasury officials believe that such a distinction can be made on the basis of official figures.

What in fact happened? Maundling planned to cover the current balance of payments deficit from overseas credit. Unfortunately the incoming Wilson ministers in 1964 "immediately declared the situation disastrous. Thereby they magnified Britain's difficulties and virtually ruined the prospects of the policy of expansion without inflation on which we were set. A great opportunity had been destroyed by Labour's loss of nerve," which did not return for many years.

The idea that the capital account can be split into hot money and long-term flows is outmoded

bank lending flows which are treated as highly volatile. But portfolio flows are even more so, shifting for instance from a net outflow of £15bn in 1986 to an inflow of £13bn in 1987, nearly all of which occurred after the Wall Street crash. There was a resumed outflow of £5bn in 1988 and a much larger outflow of nearly £30bn per annum so far in 1989.

UN model in London

CP Srivastava, the Indian who is retiring after 15 years as Secretary-General of the International Maritime Organisation, is full of praise for Britain as he goes. He says he thinks it was an inspired notion of the UN to site the agency in London.

OBSERVER

IMO's Ghanaian assistant secretary-general and one of the defeated candidates, will now be working for him.

Weasel words
The 1980s are supposed to have been a decade of economic liberalism and market forces. Yet we now learn from the developments in Hong Kong that if you leave your country to seek better fortune elsewhere, you may be classed as an "economic migrant" and be liable to be sent home. It is not the happiest of terms.

Kensington News
The Royal Borough of Kensington and Chelsea may be mixing up student loans and the poll tax. Its conflict on community charge benefits for people with low incomes includes a category for the Loan Parent.

London Underground has assured him in writing that work on additional stairways will start early in the new year. "In the long term," London Underground says, "we are looking at a station development package."

Who, whom?
A reader has written to query the use of the word "whomever" in a recent Observer note and, although he writes from a Belgravia address, says that he has never had the self-confidence to use it. And I gather from my daughters that anyone who

are always possible, irrespective of the current or so-called long-term capital balance.
Let me try to summarise:
1. The traditional idea of a basic balance which treats inward portfolio movements as durable long-term investment and banking flows as hot money is absurd.
2. The distinction has, in any case, lost nearly all real world validity in today's highly liquid capital markets.
3. The UK current account deficit partly reflects an excessive and inflationary growth of domestic demand which has to be funded in its own right.
4. But it also reflects a rise in investment, which will yield a return to cover the servicing cost and can legitimately be financed from abroad (see Economic Viewpoint, Nov 23). Domestic saving, taking into account the corporate and government as well as the personal sector, has hardly fallen.
5. The above proposition cannot be checked by a fruitless attempt to distinguish between imports of consumer and capital goods. (The key changes are in any case often in the intermediate category.) The clue is in the admittedly fallible national accounts estimates for savings and investment.
6. Even if there turns out to be a residual current account deficit reflecting borrowing for private consumption, this is still not a problem for government. The crucial distinction between government borrowing and one generated in the private sector, is that the private sector does not have the option of bailing itself out by devaluation and inflation and has eventually to meet a budget constraint.
7. Devaluation has been of little practical help in adjustment because it has led to higher inflation rather than increased competitiveness. In other words it has been nominal rather than real.
8. In principle governments can attempt to use fiscal policy (for example higher taxes) to increase savings and thereby generate a current account surplus. But such attempts often misfire as the private sector takes offsetting action. Even if they worked they would be misguided. For governments and their economic advisers are no better than private citizens at deciding between present and future consumption (which is what the savings decision is).
9. The main difference between private sector borrowing across the exchanges and borrowing between different regions of a single country is of course the exchange risk. Sentiment about particular countries or currencies is liable to sudden change - very often in ways which have little to do with either the current account or the basic balance. However important, this is a difference of degree rather than of kind.
10. Maundling would have liked freedom from the balance of payments constraint through a floating exchange rate, and Lawson through managed rates. But full freedom will come only from carrying managed rates to their logical conclusion of rates which are so firmly fixed that we have a de facto international currency, first in the European Community (including the whole of Germany) and then in the wider industrialised world taking in Japan and the US.

BOOK REVIEW
Vive la différence

Two popular images of industrial policy on either side of the Channel have grown up during the 1980s.
The British one is of an aggressively non-interventionist Thatcher Government exposing private and public sectors alike to bracing competition. The received wisdom about France is that, despite a reduction in government meddling, discreet but purposeful dirigisme lives on.
Both images contain elements of truth. However, as this collection of comparative studies - mostly by academics at the Sussex Science Policy Research Unit - makes clear, they are also misleading.
The book challenges the widespread view that the French government machine is particularly well-equipped to take business decisions. Its civil service elite is not trained in practical management or technical skills, and is beset by inter-departmental rivalry.
The authors may go too far in asserting that Whitehall is better structured for efficient intervention. But they are right to point out that the influence of state planners over some leading French industries has been exaggerated.
An extensive reorganisation of telecommunications manufacturing in the mid-1980s was sneaked through by the heads of nationalised companies, without consulting their government masters. By contrast, the Thatcher Government had fewer scruples than its Labour predecessor about intervening directly to shake up the unwieldy structure of Britain's System X telephone exchange programme.
The book also suggests that Thatcher administration succumbs more readily than the French Government to special pleading by big business. Regulation of Britain's pharmaceutical and food sectors is portrayed as a cosy affair dominated by producer interests, while France's tougher régime has brought consumers better value and higher safety standards.
The authors do not question whether public support for industry is right in principle. Indeed, they view it as essential to the early development of new technology businesses. They blame its failures mainly on poor organisation, inadequate commitment or internal policy contradictions.
Thus, France's mobilisation of resources behind a clear national strategy for biotechnology is contrasted with the half-hearted dithering and woolly objectives which characterised the UK approach.
However, France's efforts were also launched at the height of its short-lived experiment with command economy policies in the early 1980s, since when its appetite for costly intervention has dwindled.

STRATEGIES FOR NEW TECHNOLOGY: Case Studies from Britain and France By Margaret Sharp & Peter Holmes Philip Allan, £30.00
died. Indeed, the book suggests French authorities "have caught the British disease of self-doubt and may live to regret their new unwillingness to take on the long-term risks."
An interesting chapter comparing Scotland's Silicon Glen with Grenoble argues that the former has failed to generate entrepreneurial spin-offs because it is peopled largely by foreign multinationals which use it for mass-production, not product innovation.
Grenoble, with its greater wealth of universities and government laboratories, stood a better chance. But its hopes were dashed by government decisions to direct new investments to poorer regions and to change the semiconductor strategy of Thomson, which had undertaken local high-tech industries.
The authors say there is little measurable difference between the performance of British and French technology industries. In other words, different responses have produced a similar clutch of mixed results. This judgment would, however, be more conclusive if they had covered a wider range of sectors: aerospace, computing, nuclear energy and chemicals are all missing from the book.
The book's central message, though, is that purely national industrial policies are a thing of the past in Europe. Technology, international competition and market integration, it argues, are all conspiring to constrain governments' autonomy and elevate policy decisions to the European Community level.
This conclusion may be premature: reactions to 1992 in several countries still seem tinged by "national champion" psychology. But if the authors are right about the general trend, problems may lie ahead. In consumer electronics, already a trans-European industry, the book finds the EC Commission hopelessly split over whether to expose producers to keener competition or to yield to their demands for trade protection.
The authors have no doubt about which approach should be taken. While some limited form of EC industrial intervention may be justified, in their view the benefits of a single market will be realised only if its frontiers are kept open. That is still a point on which Britain and France continue to respect the tradition of vive la différence.
Guy de Jonquieres



"I think I left the £3,000 inside the patient."
uses even the word "whom" - at least in conversation - is in danger of being ostracised at school.
Never having learned any English grammar, it has always seemed simple. "Who" is subjective, and "whom" is objective. The same must apply to "whoever" and "whomever".
Still, I have looked it up in Fowler. The second edition, revised by Sir Ernest Gowers, has 14 pages on the supposed intricacies of "which, that, who" and, as always with Fowler, his rulings are a pleasure to read. He does not, however, take the matter essentially further. He confirms that "who" is subjective and "whom" is objective. But he adds: "English-speakers being very little conversant with case-forms, confusions are bound to occur."
There is also the deliberate colloquialism, which even in Fowler's time was invading printed matter. Thus, Fowler comments: "When a book reviewer in The Times writes 'Who are such conspicious really for?', we must presume the choice to have been made

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INTERNATIONAL COMPANIES AND FINANCE



Pedro Toledo: one of Spain's foremost bankers

BBV chief dies after liver illness

By Tom Burns in Madrid

THE SPANISH BUSINESS world was stunned yesterday by the announcement that Mr Pedro Toledo, co-chairman of Banco Bilbao Vizcaya (BBV) and one of the foremost post-war bankers in Spain, had died aged 54.

He died late on Monday night at the Mayo Clinic, Minnesota, where he was awaiting a liver transplant. Mr Toledo's illness, diagnosed three months ago following his return from a holiday in Turkey, had been a closely-guarded secret.

BNL agrees on capital increase

By John Wyles in Rome

A L\$16.8bn (\$6.83bn) capital increase was duly approved by a special meeting of Banca Nazionale del Lavoro shareholders yesterday, but not without further polemics between the bank's management and the suppliers of its new capital.

Both INA, Italy's state-controlled insurer, and INPS, the state pensions body, believe they signed an outline agreement with Mr Nerio Nesi, the then BNL president, at the end of June which aimed at various types of collaboration in return for their underwriting the capital increase.

After the resignation on Tuesday of the INA chairman, Mr Antonio Longo, in protest at the apparent reluctance of BNL's new chairman, Mr Giampiero Cantoni, to implement the new agreement, Mr Mario Barolozzi, INA's deputy director general, registered a public complaint to the shareholders' meeting yesterday.

INA of the bank's insurance activity," he said. For his part, Mr Cantoni made it clear that he disputed this interpretation of the June agreement and that INA could not be given any "exclusive" rights over BNL's insurance business.

The capital increase is to be followed next year by another of L\$48bn which is reserved for the Italian Treasury.

Until then, the Treasury's stake in BNL will have fallen from 74.53 per cent to 68.66 per cent, while INA's rises from 12.1 per cent to 20.25 per cent and INPS from 8.46 to 17.23 per cent.

Mr Carlo De Benedetti's holding company, yesterday applied to a Milan court for the sequestration of the 11.7m shares in Amef owned by the Formentoni family. Cir says it has a written agreement to purchase this holding by the end of January 1991.

Ford sees decline in US vehicle markets

By Anatole Kalatsky in New York

FORD MOTOR, the world's second largest automotive manufacturer, predicted a further significant decline in the US car and truck market next year after the 5.7 per cent fall in sales recorded in 1989.

Ford said the rapid additions to manufacturing capacity, especially by Japanese companies expanding both in the US and Europe, would result in worldwide excess capacity of 8.4m units in the early 1990s.

Much of this excess, equivalent to roughly 20 per cent of worldwide production, seems likely to be concentrated in the US. All the main Japanese car makers have announced plans to accelerate their US plant building programmes.

As a result, motor industry analysts expect Japanese "transplant" production in the US to exceed 3m units by 1991, rather than 1993, as many had originally expected. In October the Japanese transplant production rate passed the 1m mark for the first time.

Deutsche Bank's profits jump 33%

By Haig Simonian in Frankfurt

PROFITS surged across the board at Deutsche Bank, West Germany's biggest bank, in the first 10 months of this year, confirming expectations that 1989 will be a record year, excluding extraordinary items.

Hinting strongly at a dividend increase beyond the DM12 (\$6.92) a share paid in 1988, Mr Hilmar Kopper, the new chief executive, said he was "confident" about earnings for 1989 as a whole. Group pre-tax profits last year amounted to DM33.1bn.

Despite the large rises, Mr Kopper described the results as merely "satisfactory to good." Part of the improvement had stemmed from the consolidation of newly-acquired subsidiaries, and the bank's main aim remained to raise the underlying quality of its earnings further, he stressed.

Some improvements are already in train. The long-standing erosion in domestic interest margins has now been stopped, with the margin on parent bank interest business stabilised at last year's level of 2.45 per cent.

Fee income had been particularly boosted by the surging German stock market, with the rise in share prices more than offsetting for more difficult conditions in fixed-income securities.

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Consolidation is the key for new chief

By Andrew Fisher in Frankfurt

IT WAS a creditable performance for a first-timer, although Mr Hilmar Kopper, Deutsche Bank's new speaker (chief executive), is hardly a stranger to the spotlight, writes Haig Simonian.

Even before his elevation this week, he had masterminded the bank's two biggest acquisitions; its recent \$260m (\$1.5bn) purchase of Morgan Grenfell, the UK merchant bank, and the December 1988 takeover of Banca d'America e d'Italia for \$630m.

But for all his talents as a highly experienced financier, who joined Deutsche Bank straight after school, the spirit of Mr Alfred Herrhausen, the previous speaker who was murdered by terrorists last month, pervaded yesterday's proceedings.

Mr Herrhausen shone in his range and speed. Razor-sharp answers would come without a second's pause.

Mr Kopper's strengths are different, which will only be appreciated fully in the next two to three years, when Mr Herrhausen's momentum has ebbed.

Mr Kopper has already indicated how he sees the bank progressing in the 11 years ahead of him as speaker, until he reaches the mandatory retirement age of 65.

Consolidation will be the key, at least in the short term. Explaining that Deutsche Bank has no more big acquisitions in the pipeline, the new chief emphasised integration as one of his main aims.

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United Mizrahi Bank's managing director quits

By Hugh Carnegie in Jerusalem

MR MICHAEL Zivneri, the managing director of United Mizrahi Bank, Israel's fourth largest financial group, has resigned following a public call for his removal by the Bank of Israel because of concerns over the bank's performance.

Other Israeli banks, being forced to make hefty provisions for bad debts in recent years. It reported net profits in the first three quarters of 1989 of Sh114.5m (\$7.4m), down from Sh122.1m last time and following a loss for the whole of 1988.

Order surge gives MAN firm start to year

By Andrew Fisher in Frankfurt

MAN, the West German truck, printing machinery and engineering group, has made a powerful start to its current financial year to June 30 1990, with a 19 per cent jump in new orders in the first four months to DM6.2bn (\$3.7bn).

After the July-October order surge, orders shot ahead by a further 27 per cent in November, said Mr Klaus Götte, chief executive. He forecast that profits in 1989-90 would be at least as high as last year, when net income rose by 26 per cent to DM254m on turnover which was 14 per cent higher at DM17.1bn.

This financial year, MAN will make a rights issue, using part of the DM250m of new nominal capital which will be put to the next annual meeting for authorisation.

Mr Götte emphasised that MAN's financial position was strong, with liquidity of some DM17bn. It intended to finance its acquisitions and participations - it has recently announced two purchases in the truck sector, in Austria (Steyr-Dalmir-Fuch) and Spain (Bassa) - from its own capital without taking on new debt or running down its liquidity.

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INTERNATIONAL CAPITAL MARKETS

Citibank plans UK cash basket products

By Deborah Hargreaves

WITH index participations, the controversial equity derivative embroiled in litigation in the US, a consortium of financial firms plans to launch a similar cash basket products in the UK early next year.

Bankers temper enthusiasm for the intricate Ecu

Rachel Johnson examines the developing role in financial markets of the European currency unit

As the official litmus test for the evolution of monetary and financial integration in Europe, even the Ecu's most enthusiastic supporters might agree that the currency has some way to go.

The ECU programme was designed to establish London as the fastest-growing centre for Ecu financial activity, which it helped to do. At the end of March 1988, banks in the UK accounted for 22 per cent of total Ecu activity.

Even though the yields on the ECU's range between an unwarranted 4 per cent and 4 1/2 per cent below Ecu London interbank bid rates, the issues are always subscribed several times over.

Table titled 'VALUE OF THE ECU' showing currency values and new fixed weights of currencies.

of their Ecu programmes - neither country has followed the Bank with monthly issues of Ecu bills.

releasing "removed market uncertainty." Mr Young puts blame on the slow progress of the commercial Ecu.

Dutch bank raises \$370m through novel share deal

By Deborah Hargreaves

AS PART of a bid to fund its lending acquisition of a Chicago bank, Algemeen Bank Nederland, the big Dutch bank, has completed an innovative equity offering dubbed "stock and interest."

Treasuries on defensive in dull trading

By Janet Bush in New York and Rachel Johnson in London

NOVEMBER RETAIL sales figures and a firmer than expected Fed funds rate put the US Treasury bond market on the defensive yesterday.

releases, which include the October merchandise trade balance and November producer prices, industrial production and capacity utilisation.

THE D-MARK'S strength on the foreign exchanges made for lively conditions in West Germany. Prices in the morning session were fixed higher and bonds put on about 20 ppcms.

Table titled 'BENCHMARK GOVERNMENT BONDS' showing coupon, red date, price, change, yield, week ago, and month ago.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table showing FT-Actuaries Share Indices for Wednesday December 13 1989, including Equity Groups and Fixed Interest.

LONDON MARKET STATISTICS

Table titled 'RISES AND FALLS YESTERDAY' showing British Bank, Corporate, and Foreign Bonds.

LONDON RECENT ISSUES

Table showing London Recent Issues with columns for issue, amount, date, and price.

FIXED INTEREST STOCKS

Table showing Fixed Interest Stocks with columns for issue, amount, date, and price.

RIGHTS OFFERS

Table showing Rights Offers with columns for issue, amount, date, and price.

TRADITIONAL OPTIONS

Table showing Traditional Options with columns for issue, amount, date, and price.

LONDON TRADED OPTIONS

Table showing London Traded Options with columns for calls and puts for various stocks.

Table showing Average Gross Redemption Yields for various maturities.

4000 Index 2379.2, 10 Jan 2374.9, 11 Jan 2374.8, 12 Jan 2381.0, 13 Jan 2382.7, 14 Jan 2380.1, 15 Jan 2376.4, 16 Jan 2380.1.

UK COMPANY NEWS

Anglo Utd nets £54m for Coalite quarries

By Ray Bashford

ANGLO UNITED, the mining and fuel distribution group, has completed the first stage of an asset disposal programme which will reduce substantially the borrowings made to finance the takeover of Coalite earlier this year.

will be merged with existing businesses. Anglo financed the bulk of the takeover through a £200m short-term loan and a £270m six-year loan, arranged through Samuel Montagu.

last important assets Anglo has up for sale: North Sea oil areas, property investments and a vehicle and truck distribution business. Disposals of other small holdings could return a further £15m-£20m before the deadline.



David McErlain group well placed to repay £200m short-term loan behind Coalite takeover before deadline at end of next year

Telfos calls off proposed £25m buy in Australia

By Andrew Bolger

TELFOS HOLDINGS, the diversified engineering group, has scrapped plans to pay £25m for a division of Australian National Industries, the engineering group which plunged into losses in the year to June and is now controlled by Mr Kerry Packer.

British Gas close to agreement on Spanish deal

By Tom Burns, in Madrid

BRITISH GAS is negotiating a wide-ranging agreement that could include a substantial minority share ownership with Catalana de Gas, Spain's leading natural gas distributor, the Barcelona-based company said yesterday.

France. British Gas yesterday declined to comment on the reports, or on any association it might have with Catalana. A spokesman said this was because the matter was "speculative."

Charter Consolidated improves 20% to £38.5m

By Kenneth Gooding, Mining Correspondent

CHARTER CONSOLIDATED, the UK industrial holding group which is part of a worldwide network of companies under the influence of Anglo American Corporation of South Africa, revealed a 20 per cent rise in taxable profit, from £32.1m to £38.5m for the half-year to September 30.

not be regarded as the likely percentage growth in dividends for the full year, but was intended to establish a better balance between the interim and final.

Under its new management team, Charter would concentrate on four industrial areas: quarries; specialist building products and services; mining

and railway equipment; and services. Charter's Pandrol railway equipment subsidiary was about to complete an acquisition in the US worth up to £20m.

finance director. He and Mr David Davies, currently deputy chairman of Charter, are both to move to Johnson Matthey, the precious metals group in which Charter has a 33.8 per cent shareholding.

See Lex

Seacon postpones board meeting on new offer

By Andrew Hill

SEA CONTAINERS has postponed a crucial board meeting which was to consider possible new defences against an increased \$1.13bn bid.

mon shares to \$70 per share last Friday. That matched the target's planned defensive tender offer for half its own equity and put pressure on president Mr James Sherwood to set a date for a shareholder meeting to vote on the alternatives.

Japanese buy 10.6% Summit stake from B&C

By John Riddling

MARUBENI CORPORATION, one of Japan's largest trading houses, is buying a 10.6 per cent stake in Summit Group, a private British financial and property concern, for about £10m.

expected to raise over £10m. Summit, which was formerly part of Atlantic Computers, is principally involved in financial advisory services to major corporations, sales and leasing, lease financing and dealing in printing equipment, and property investment and development.

Appointments advertising appears every Monday, Wednesday and Thursday

Acquisition at Whittington

Whittington has agreed to acquire Wellingtons, a Lincolnshire-based manufacturer and distributor of gift and stationery products.

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14th December, 1989

Stakis tops £27m and still intent on expansion path

By Andrew Hill

STAKIS said yesterday that it was determined to increase its portfolio of nursing homes and build a chain of business hotels, even if faced with recession.

The Glasgow-based group, headed by Sir Reo Stakis, increased taxable profits by 11 per cent to £27.1m in the 52 weeks to October 1, compared with £24.46m in the 53-week period to the beginning of October 1988.

within the next 18 months. In the next five years it plans to raise this to 20 hotels in the UK and 10 in Europe, where it is carrying out preliminary research into the West German market.

major roadworks outside the group's London casino, the Stakis Regency Club. The growing healthcare division made £1.54m (£307,000) on turnover of £3.98m (£1.11m).

Stakis should be able to live up to its self-imposed target of 20 per cent annual earnings growth, although it will be a while before that growth comes entirely from trading operations.

Mr Neil Chisman, the new finance director, said yesterday: "We've got a strategy which is aimed at riding through a minor recession. We don't really want to be

deflected from that strategy, because we would rather be fighting for a dwindling market share with the business hotel concept than with a less exciting product."

More than 75 per cent of trading profits came from hotels, and from the leisure division, which now includes casinos, pubs, discotheques and restaurants.

Earnings per share rose from 7.53p to 9.22p and the recommended final dividend of 1.6p makes 2.31p (1.95p) for the year. Stakis shares closed up 3p at 97p.

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CLOSING DATE 14 JANUARY 1990

- You can make a claim IF: You owned shares in The Distillers Company plc ("Distillers") on 15th April 1986 and sold those shares on or before 21st August 1986 for less than 731p per share; OR You owned shares in Distillers on 15th April 1986 and accepted the Guinness offer of Guinness ordinary shares for Distillers shares and sold the Guinness ordinary shares received on or before 21st August 1986 for less than 335.4p per share; OR You owned shares in Distillers on 15th April 1986 and accepted the Guinness offer of cash for your Distillers shares (if the cash offer was accepted a Claim Form will have been sent to the person named on the Guinness Form of Acceptance).

Claims must be received no later than 14 January 1990. If you have not already submitted a claim, a claim form can be obtained from Deloitte Haskins and Sells, Distillers Claims Administrator, Suite C, International House, Ealing Broadway Centre, 7 High Street, London W5 4DB. Telephone: 01 566 2266. All queries should be addressed to the Claims Administrator.

Appointments advertising appears every Monday, Wednesday and Thursday

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Particulars relating to the Convertible Unsecured Loan Stock are available in the Extel Unlisted Securities Market Service and copies of the prospectus, dated 17th November 1989, may be obtained during normal business hours for a period of two business days from the date of this notice from the Company Announcements Office, The International Stock Exchange, 46-50 Finsbury Square, London, EC2A 1DD and on any weekday (Saturdays and public holidays excepted) for a period of fourteen days from the date of this notice from:

Omnitech plc Unit 21, Aylesbury Vale Industrial Park, Farnborough, Hampshire, GU14 7JH. Greig Middleton & Co. Limited 66 Wilson Street, London, EC2A 2BL. Security Exchange Limited 25 Colindale Avenue, London, EC2A 4EA. Rickett & Co. Limited 145 St. James Street, London, EC1M 4AE.

14th December, 1989

**UK COMPANY NEWS**



John Clare, managing director, (left) and Stanley Kalms

**Kingfisher document prompts vehement retort from Dixons**

By Maggie Urry

DIXONS, the electrical retailer fighting a £568m bid from Kingfisher, which owns the Comet electrical chain, yesterday responded fiercely to points made in the offer document, published on Tuesday.

Mr Stanley Kalms, Dixons' chairman, said the accusation that Dixons strategy was excessively reliant on deals and scope was "unbelievable nonsense." And some of Kingfisher's other accusations showed that it did not understand the business.

Mr Kalms said he thought the real reason behind the bid was Kingfisher's fear that Currys, owned by Dixons, was increasingly opening stores in out-of-town locations and thus threatening Comet's dominance.

He said Dixons was a unique business whose future growth prospects gave it an unanswerable case. The integration of Dixons' and Currys' management had been highly successful.

Kingfisher had "failed to grasp what 'Operation Reap' is about," said Mr Kalms. Operation Reap is Dixons programme to increase market share through a range of features such as merchandise, store design, stock, service. He said this was proving successful, and the group's state of the art stores were seeing good sales gains.

Dixons shares fell 1p to 136p yesterday, while Kingfisher's

were unchanged at 290p.

Kingfisher's offer document said that Dixons was too dependant on "own label" merchandise. Mr John Clare, managing director of Dixons' stores, said these "exclusive brands" were "a very important, successful part of the business."

The ranges on offer to customers covered leading manufacturers' brands as well as Dixons' exclusive brands, giving customers choice and value for money. In some product areas the Dixons' brand had become the leader, he said.

Mr Kalms replied to Kingfisher's attack on profits from Dixons' sale of extended warranties by saying that this could not be regarded as separate from the retail business. Further, he said, selling these warranties put "pressure on us to sell good quality merchandise" because if this product stopped working Dixons would be liable to repair it.

Mr Kalms queried the way Kingfisher had shown Comet's market share, measured over a 12-week period. During this time Comet had been offering 18 months interest-free credit on products. "Anyone can gain market share that way," Mr Kalms said.

Kingfisher's suggestion that Dixons had boosted its retail profits through property disposals were "totally untrue" he added.

**ERF up 42% to £3.74m but warns of downturn**

By Kevin Done, Motor Industry Correspondent

ERF (HOLDINGS), the last remaining independent publicly-quoted UK truck maker, increased its pre-tax profits by 43 per cent to £3.74m in the six months to the end of September.

The company warned, however, that the recent steep downturn in the UK truck market meant that it was now "suffering substantially lower levels of orders and shipments". It has decided to leave its interim dividend unchanged at 4p.

The length and depth of the downturn was difficult to forecast, said Mr Peter Foden, chairman and chief executive, but he warned that it would have "an adverse effect" on the company's profitability in the second half of the year.

ERF's share price has already halved from a peak earlier this year of 506p to a recent low of 243p. The shares closed yesterday down 7p at 253p.

ERF has already taken steps to cut production and reduce its workforce in the face of a sharp fall in sales in the final quarter of 1989.

The company has:

- moved onto a four-day week since mid-November which will run at least until mid-January,
- cut output sharply from a peak of 21 trucks a day (five days a week) in May to 15 a day in November and December (four days a week),
- extended its Christmas/New Year plant shutdown by 8 working days to run from December 18 to January 5,
- reduced its workforce by some 9 per cent or 100 people to a current level of 1,000.

In spite of the general downturn in the UK truck market, ERF has continued to out-perform most of its much bigger West European rivals operating in the UK and has made impressive gains in market share in the UK heavy truck market (above 15 tonnes).

In the first 11 months it increased its UK registrations by 17.4 per cent to 4,144, compared with an increase in the overall heavy truck market of 6.2 per cent.

Its growth this year has been rivalled only by Scania of Sweden, and it has increased its share of the UK heavy truck

market to 11.1 per cent from 10 per cent a year ago. It is now in fourth place behind Leyland DAF, Volvo and Mercedes-Benz.

In the first six months ERF truck sales, including exports, rose by 10 per cent to 2,153. Group turnover increased by 23 per cent to £88.16m (£71.57m). After-tax profits were virtually unchanged at £2.37m as a result of a big jump in the tax charge to £1.37m (£230,000).

Previously the group had been sheltered from paying UK corporation tax as a result of the big tax losses accumulated during the crisis years of the early 1980s, when it was on the brink of financial collapse. Profits have recovered sharply in the last three years, however, and the tax losses were exhausted in the second half of the 1988/89 financial year.

As a result of the tax charge, earnings per share fell to 24.13p (30.32p) per share.

Mr Foden said that first-half profits had also been helped by the results of its two wholly-owned distributors in Manchester and Glasgow; by the sale of plastics pressing technology to China; and by the strong performance of its South African truck and bus assembly subsidiary.

**CONSOLIDATED SEMI-ANNUAL REPORT**

Statement of Income (for the period April 1, 1989 to September 30, 1989) in Millions of Yen

Consolidated Net Sales (6 months ending March 31 and Sept. 30)

Net sales	2,004,857
Cost of sales	1,315,748
Income before taxes and minority interests	131,369
Income taxes	72,964
Net income	62,855
Net income per share	19.50 (in Yen)

Balance Sheet (September 30, 1989) in Millions of Yen

Assets		Liabilities and Shareholders' Equity	
Cash and cash equivalents	641,059	Bank loans and current portion of long-term debt	902,410
Notes and accounts receivable, trade	895,367	Notes and accounts payable, trade	749,231
Inventories	848,317	Other current liabilities	1,036,787
Other current assets	419,735	Long-term liabilities	751,522
Property, plant and equipment	864,617	Minority interests	125,069
Other assets	776,347	Shareholders' equity	982,423
<b>Total assets</b>	<b>4,547,442</b>	<b>Total liabilities and shareholders' equity</b>	<b>4,547,442</b>

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Continued profit growth, year after year, has come from real in-depth strength in each of our core businesses.

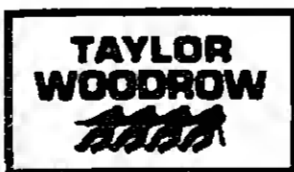
We have become a leading property company with a balanced, international portfolio covering all sectors and providing a growing stream of profits.

**A Perfect Balance**

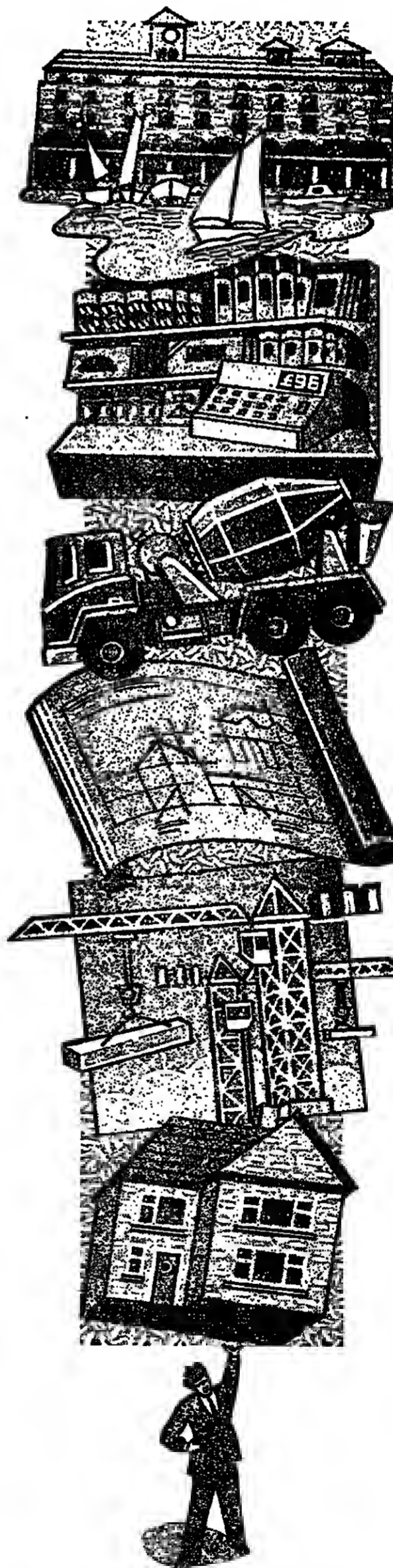
In house building, Taylor Woodrow has successful and expanding operations in Australia, Canada, Spain, U.K. and U.S.A.

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This information has been approved by Touche Ross & Co., who are authorised to carry out Investment Business by the Institute of Chartered Accountants in England and Wales.

**DIVIDENDS ANNOUNCED**

Company	Current payment	Date of payment	Corres. dividend for year	Total last year	Total year
Baggeridge Brick	2.375	Feb 14	1.875	3.125	2.57
Bulmer (W)	2.88	Feb 28	2.685	-	8.945
Charter Corp	6.5	Jan 15	4.75	-	17.25
Chemring	16.25	Jan 28	14	24.5	21.5
Colsonade Devel	3.2	-	1.2	3.2	1.2
ERF	4	-	4	-	15
Fulter, South	1.86	-	1.55	-	4.45
London Secs	0.5	Feb 14	-	-	1
Lovell (GF)	2	Jan 31	nil	-	2
M&G Second Dual	11.45	-	8.94	-	18.79
Moorgate Invest	3.2	-	2.4	-	8.68
NMC	1.25	-	1	-	3.3
Priest (Ben)	1.5	Feb 6	1.5	-	4.5
Stable	1.61	Apr 11	1.33	2.31	1.95

Dividends shown pence per share net except where otherwise stated. \*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡USM stock. §Unquoted stock. ¶Third market. ††After adjustment for share consolidation. ‡‡For 7 months period. †††Included special 0.85p.

**PUBLIC WORKS LOAN BOARD RATES**

Effective December 13

Term	By RPI	By RPI	By RPI	By RPI	By RPI
1	14 1/2	14 1/2	14 1/2	14 1/2	14 1/2
Over 1 up to 2	13 1/2	13 1/2	12 1/2	14 1/2	13 1/2
Over 2 up to 3	12 1/2	12 1/2	11 1/2	13 1/2	12 1/2
Over 3 up to 4	12 1/2	11 1/2	11 1/2	13 1/2	12 1/2
Over 4 up to 5	11 1/2	11 1/2	11 1/2	12 1/2	11 1/2
Over 5 up to 6	11 1/2	11 1/2	11 1/2	12 1/2	11 1/2
Over 6 up to 7	11 1/2	11 1/2	11 1/2	12 1/2	11 1/2
Over 7 up to 8	11 1/2	11 1/2	11 1/2	12 1/2	11 1/2
Over 8 up to 9	11 1/2	11 1/2	10 1/2	11 1/2	11 1/2
Over 9 up to 10	11 1/2	11 1/2	10 1/2	11 1/2	11 1/2
Over 10 up to 15	11 1/2	10 1/2	10 1/2	11 1/2	10 1/2
Over 15 up to 25	10 1/2	10 1/2	10 1/2	11 1/2	10 1/2
Over 25	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2

\*Non-quota loans B are 1 per cent higher in each case than non-quota loans A. †Equal instalments of principal. †† Repayment by half-yearly annuity (fixed) equal half-yearly payments to include principal and interest. ††† With half-yearly payments of interest only.

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HILLSDOWN HOLDINGS plc

Notice of an Adjourned Meeting of the Holders of the £150,000,000 4 1/2 per cent Convertible Bonds Due 2002 of Hillsgate Holdings plc (the "Bondholders" and the "Bonds" respectively)

EXTRAORDINARY RESOLUTION THAT this adjourned meeting of the holders of the outstanding 4 1/2 per cent Convertible Bonds Due 2002 (the "Bonds") of Hillsgate Holdings plc (the "Company")...

1. approves and sanctions the making by the Company at any time and from time to time of market purchases (within the meaning of section 103(3) of the Companies Act 1985) of its ordinary shares; and

PRINCIPAL PAYING AND CONVERSION AGENT The Chase Manhattan Bank N.A. Wellington House London EC2P 2JD

PAYING AND CONVERSION AGENTS Chase Manhattan Bank Luxembourg S.A. 5, rue de la Loi Luxembourg GRUNO

1. A Bondholder wishing to attend and vote in person at the Adjourned Meeting must produce at that meeting a valid voting certificate or certificates issued by a Payer and Conversion Agent...

2. The quorum required at the Adjourned Meeting is two or more persons present in person holding Bonds or voting certificates or being proxies (whenever the principal is not present)...

4. To be passed, the Extraordinary Resolution requires a majority in favour consisting of not less than three-fourths of the votes cast thereon by a show of hands...

GENERAL Copies of the Trust Deed and the Supplemental Trust Deed, including the Terms and Conditions of the Bonds, referred to in the Extraordinary Resolution of Bondholders set out above will be available for inspection by Bondholders at the principal office of the Trustee...

The Board intends to exercise the power of the Company to purchase its ordinary shares only in circumstances where, in the light of market conditions prevailing at that time, they believe that the effect will be to increase the average percentage of shares owned, and will, therefore, be in the interests of shareholders generally.

A Special Resolution of the shareholders authorising the Company to make market purchases of up to 5.2 million ordinary shares (representing not more than 10 per cent of the issued ordinary share capital of the Company) was passed at an Extraordinary General Meeting of the Company held on 30th November 1989.

Implementation of the proposed power to purchase the ordinary shares of the Company should not adversely affect the conversion rights of the Bondholders. The Directors believe that any purchases of ordinary shares under the authority should be beneficial to the holders of ordinary shares and will, therefore, improve the conversion prospects of Bondholders.

BAGGERIDGE BRICK PLC

RESULTS FOR YEAR ENDED 30th SEPTEMBER, 1989 Turnover up 36% Turnover increased from £24.96 million to £33.87 million. Pre-tax profits up 29% Increased pre-tax profits for ninth consecutive year — up from £7.34 million to £9.71 million.

Dividends up 25% Final dividend 9 1/4% making 12 1/2% for the year. Earnings per share up 28% Earnings per share increased from 12.41p to 15.92p.

Copies of the illustrated report and accounts for the year ended 30th September, 1989 will be available after 24th January, 1990 from the Secretary, Baggeridge Brick PLC, Gospe End, Seagley, Dudley, West Midlands DY3 4AA.

UK COMPANY NEWS ICI and Ciba-Geigy plan OTC deal

By Peter Marsh CIBA-GEIGY said yesterday that its proposed purchase of part of Imperial Chemical Industries' over-the-counter (OTC) healthcare businesses would strengthen its position in an area it is determined to build up during the 1990s.

sell Savlon products in other countries including parts of continental Europe, Australia, Taiwan and Singapore. It might decide, however, to enter into discussions about selling its OTC activities in these other countries at a later date.

Goodman aims to reshape Irish dairy co-ops

By Kieran Cooke in Dublin MR LARRY Goodman, the Republic of Ireland's and Europe's leading meat processor and exporter, yesterday announced ambitious plans for further expansion into the Irish agribusiness sector.

Furthermore there is concern in many Irish circles about the growing influence of Mr Goodman's companies, which are now estimated to account for more than 4 per cent of the country's gross national product.

Henry Barrett returns to the acquisition trail

By Andrew Bolger HENRY BARRETT Group, the Yorkshire-based steel and industrial products company, has agreed to buy Don Reynolds Holdings (DRL) for £10.8m.

ret shares closed 11p up at 258p. Mr Richard Barrett, managing director, said the aesthetic appearance and high technical quality of DRL's system meant it was a high-margin business which would enhance the group's earnings.

Chemring advances to £4.71m

SALES AT the Chemring Group advanced 31 per cent in the year ended September 30 1989, but the growth in pre-tax profit was held back to 10.5 per cent at £4.71m.

advanced brickworks in Europe. It had a capacity of 2m bricks per week but that had not yet been exploited.

Benjamin Priest up 5.5% but cautious

Benjamin Priest, the specialised engineering group, lifted profits by 5.5 per cent, from £3.28m to £3.46m, in the six months to September 29.

Optometrics Corp declines to \$125,000 Optometrics Corporation, the USM-quoted company formerly known as Optometrics (USA), suffered a decline in pre-tax profits from \$14,000 to \$125,000 (\$78,000) in the six months to September 30.

London Securities pays maiden interim

London Securities increased taxable profits by 33 per cent from £1.14m to £1.52m in the six months to September 30 and has decided to introduce an interim dividend at 0.5p per 15p share.

Baggeridge builds 29% rise to £9.72m

Baggeridge Brick increased pre-tax profit by 29 per cent in the year ended September 30 1989, and is raising its dividend by a quarter.

MILTON KEYNES

The Financial Times proposes to publish this survey on: 18TH JANUARY 1990 For a full editorial synopsis and advertisement details, please contact: RACHEL FIDDIMORE on 01-873 4152

Harrisons & Crosfield

Harrisons & Crosfield is to seek authority from shareholders to buy up to 58.5m of its ordinary shares — about 10 per cent of its issued share capital.

The Chase Manhattan Corporation U.S. \$400,000,000 Floating Rate Subordinated Notes due 2009

PNC Financial Corp U.S. \$100,000,000 Floating Rate Subordinated Notes Due 1997

Fuller Smith ahead 15% to £3.9m as beer volumes rise

By John Riddling FULLER, SMITH & Turner, the west London-based brewer, yesterday announced a near-15 per cent increase, from £3.4m to £3.9m, in pre-tax profits for the six months to September 29.

Directors said that the exceptional summer weather had helped the group achieve a substantial increase in volume sales of both its own brewed and other purchased beers.

COMPANY NEWS IN BRIEF

ARCHIMEDES INVESTMENT Trust: Net asset value per capital share at October 31 was 496.42p (447.06p). Earnings per income share were 18.65p (14.7p). Final dividend of 10.25p (8.75p) makes 16.5p (14.55p) for the year.

BRAY TECHNOLOGIES plans to sell Bray Lectroheat, its electric heating division, to Emerson Electric of the US for a total of £3.5m cash.

MEYER INTERNATIONAL says its Dutch subsidiary has sold the pallet making business, Helvo, and two surplus properties for £1.91m (£2.9m).

M&G SECOND Dual Trust: Net asset value of capital shares, based on manager's middle quoted price of the M&G Dividend Fund income units on November 30 1989 was 474.53p (406.65p). Gross revenue was £1.52m (£1.28m) for the six months to end-November. Earnings per share, 11.42p

Correction Pict Petroleum The Financial Times yesterday reported that Pict Petroleum has sold its offshore exploration and producing interests. This was incorrect. The company has sold its onshore exploration and producing interests.

Weekly net asset value Leveraged Capital Holdings N.V. as at 11-12 was USS 348.17. Listed on the Amsterdam Stock Exchange

U.S. \$200,000,000 MARINE MIDLAND BANKS, INC. Floating Rate Subordinated Notes Due 2000

U.S. \$200,000,000 Compagnie Financière de Crédit Industriel et Commercial Floating Rate Notes Due 1997

Crossland Savings, FSB U.S. \$100,000,000 Collateralized Floating Rate Notes, Series A due December 1997

Various small advertisements including Fuller's logo and other financial notices.



UK COMPANY NEWS

**Bulmer vaults to £7.6m as hot summer buoys sales**

By Philip Rawetorne

HIGHER advertising expenditure and good summer weather helped BP Bulmer, the Hereford-based cider maker, lift pre-tax profits 20 per cent to £7.6m in the half year to October 27.

Increased sales of all brands - taking in Strongbow and Woodpecker cider, Perrier and Buxton waters, Orangina fruit juice and Red Stripe lager - helped operating profits rise 36 per cent to £10.1m (£7.51m) on turnover almost 25 per cent to £121.07m (£96.78m).

Interest payments rose from £1.7m to £2.5m. Mr Edmund Bulmer, chairman, said that the squeeze on consumer spending from interest and mortgage rates was likely to have an effect on the group's Christmas trade.

He added, however: "We remain confident that the heavy investment behind our brands will continue to show through in improved sales and



market share." Operating profits on cider and fruit juices were 52 per cent higher at £6.5m, with a similar increase on wines, spirits and other drinks to £2.1m.

Sales of pectin - used in a wide variety of foodproducts - were limited by production capacity and profits on the operation fell from £1.3m to £1.1m. The group is now investing £2m in expanding the Hereford plant.

Bulmer's Australian drinks business, facing tougher competition, saw profits cut by two thirds to £120,000. Earnings per share rose from

6.4p to 7.5p. The interim dividend is raised to 2.65p (2.685p).

COMMENT

Bulmer's bold decision last year to double its advertising spend to £11m, plus the added luck of a good summer, does seem to have revived a flagging cider market and improved the company's share of it. Draught cider sales were up by 12.5 per cent over the first nine months of this year.

Bulmer estimates its brands grew 19.4 per cent, more than twice the rate of its competitors. Raising the Strongbow profile to match the heavily-advertised lagers which are its real competitors may also pay off in the post-MMC free trade. Analysts who have lived through previous cider revivals, however, remain cautious, forecasting full year profits of £13m and a prospective p/e of 14.2.

**ASW believed to be considering expansion moves**

By Nick Garnett, Northern Correspondent

ASW HOLDINGS, the Cardiff-based steel-maker floated at the end of last year, is believed to be considering a number of expansion moves, including the purchase of a steel producer in continental Europe and some form of diversification in the UK.

Mr Alan Cox, chief executive, declined to make any comment yesterday about such proposals, but ASW's management structure was altered recently to allow a small group of managers more time for strategic planning.

Analysts believe that if the company does diversify in the UK, it might go for a processing company, possibly in construction materials, plastics or glass.

ASW was formed in 1981 from the pooling of some of the rod, wire and nail interests of GKN and the former British Steel Corporation. In 1987 it was the subject of a management and institutional buy-out. The company, which has steel-making and rolling facilities in Cardiff and a rod mill in Souththorpe, is 20 per cent owned by British Steel with

employees having about 13 per cent.

ASW has been a successful cash generator for a number of years and all the £90m debt at the time of the buy-out has been paid off.

It made a pre-tax profit of £30.9m on turnover of £292.6m in the year to end-December 1988 and a pre-tax profit of £20.1m on turnover of £235.1m for the half-year to June this year.

Mr Cox has ruled out moves into steel-finishing businesses. "Our strategy has not been for the acquisition of companies in downstream steel activities," he said.

About 40 per cent of ASW's total sales are of bar and coils for the construction industry. Its sales are biased towards heavier civil engineering rather than the more sensitive housing market.

The company, where profits per employee have risen from £300 in 1983 to £11,000 last year, will sell about £100m-worth of its products in continental Europe this year, compared with just over £40m two years ago.

**GF Lovell returns to the black**

GF LOVELL's move into the building sector with the £22m acquisition of four building materials companies in August was reflected in results for the six months to September 30.

The company has moved back into the black with just a one month's contribution of £23,000 from the building division.

The confectionery side, however, remained in the doldrums producing an increased loss of £125,000 (£86,000). Group taxable profits amounted to £127,000 against a loss last time of £36,000.

Mr Peter Woodman, chairman, said the original confectionery business experienced

difficult trading conditions in July and August as demand fell during the exceptionally hot weather.

The business has, since October, traded as Lovell's Confectionery and Mr Woodman said that recent acquisition of Belmor Confectionery would provide a major boost to sales, the lack of which has been a major reason for the poor performance of the confectionery business in the past.

Belmor, which manufactures a niche range of quality confectionery, will also provide significant scope for profits growth. While the trading outlook

was uncertain, Mr Woodman concluded, demand in the markets in which the Lovell group operated were holding up well.

Group turnover amounted to £4.64m, with £2.65m coming from building materials and the remainder from confectionery. Earnings per share were 4.5p (less 6p). An interim dividend of 2p is declared - last year there was a single payment of 2p.

Lovell is now quoted on the USM following the acquisition of the building materials companies, one of which only had a three year trading record.

**Blenheim to acquire Database**

Blenheim Exhibitions is acquiring Database Exhibitions for an initial £575,000 and a further possible £5m cash, depending on profits.

Database was formed in May 1988 to run the exhibition activities of its sister company, Database Publications, which publishes five magazines.

It now organises a portfolio of computer-related exhibitions, and Blenheim said it fits well with its portfolio.

**Teredo recovers in second half**

Teredo Petroleum, formerly Marinex Petroleum, saw profits fall from £110,000 to £31,000 in the year to September 30 on turnover of £905,000 (£896,000).

However, this was an improvement on the first half which incurred a pre-tax loss of £50,000 on turnover of £286,000.

Costs related to USM listing were £50,000 (nil), leaving a net loss for the year of £8,000 (£110,000 profit).

**Colonnade Development unveils reorganisation plan**

THE DIRECTORS of Colonnade Development Capital, which obtained a listing in October 1988, have decided to reorganise the company.

They said that the share price had fallen to a 39 per cent discount on net asset value and British and Commonwealth Holdings, the ultimate parent company of B and C Development Capital, Colonnade's investment manager, may shortly no longer be in a position to provide continuity of investment management services.

Colonnade is offering the management team at BCDC the opportunity of joining the company on a full-time basis. These executives would acquire the 8.7 per cent holding in Colonnade held by British and Commonwealth Ventures Investment and be granted performance-related options to subscribe for shares in Colonnade.

Colonnade would acquire BCDC for £120,000 cash. It would assume management of BCDC and a limited partner-

ship, of which BCDC is the general partner and acquire B and C Ventures' interest for £25,000 cash.

The existing management contract with BCDC would be terminated for nil consideration, as would an existing option agreement under which B and C Ventures has a right to subscribe for ordinary shares in Colonnade.

Colonnade would enter into a contract to manage a £9.5m portfolio of investments owned by BCVC, which is currently managed by B and C Ventures. It would also acquire BCVC's holdings in Verson International Group and Sherwood Computer Service for £2.34m cash.

In the year to October 31, Colonnade's net asset value has risen to £1.93 from £1.82. Pre-tax profits totalled £287,660 compared with £93,133 for the previous 7 months period, after tax of £51,821 (£23,394) earnings per share amounted to 4.68p (1.67p).

The final dividend proposed is 3.2p (1.2p).

**NMC profits advance 34% to £5.3m**

NMC Group, which has interests in paper and plastic packaging, the printing industry and property development, announced a 34 per cent rise in pre-tax profits for the half year ended September 30.

On turnover 78 per cent ahead from £36m to £63.97m, the pre-tax result was £5.39m (£4m).

The directors said there had been some slackening of demand in the packaging sector, and in some areas an excess of capacity in the market.

In property, recent interest rate rises had affected demand in the commercial market generally although the market in Kent, where the company operated, remained relatively active.

The interim dividend is being increased from 1p to 1.25p.

Earnings worked through at 6.21p (6.16p) basic and 5.97p (5.96p) fully diluted. The tax charge rose from £1.4m to £1.7m.

A majority interest in  
**Lentjes AG, Düsseldorf**  
has been acquired  
from  
**Ferdinand Lentjes-Stiftung, Düsseldorf**  
**Ferdinand Lentjes-Industrieholding, Düsseldorf**  
by  
**Metallgesellschaft Aktiengesellschaft**  
Frankfurt am Main

The undersigned acted as financial advisor to and assisted in the negotiations in this transaction.

**LANDESBANK RHEINLAND-PFALZ**

(Incorporated under Public Law in the Federal Republic of Germany)

Mainz, November 1989

This announcement appears as a matter of record only December 1989

**AMEC**  
AMEC plc

£105,000,000  
Multiple-Option Facility

Arranged by  
**National Westminster Bank PLC**

Underwritten by  
National Westminster Bank PLC Barclays Bank PLC  
The Royal Bank of Scotland plc  
The Sanwa Bank, Limited The Sumitomo Bank, Limited  
Westdeutsche Landesbank Girozentrale, London Branch  
Algemeene Bank Nederland N.V., Manchester Office National Bank of Abu Dhabi  
Rabobank Nederland, London Branch

Additional Tender Panel Members  
Amsterdam-Rotterdam Bank N.V. Clydesdale Bank PLC  
Crédit Lyonnais, London Branch The Dai-ichi Kangyo Bank, Limited  
Deutsche Bank A.G., London Branch Union Bank of Switzerland, London Branch

Facility and Tender Panel Agent  
National Westminster Bank PLC

**NatWest Syndications**

# Tootal Group

A coherent strategy for the Group as a whole aimed at achieving sustained growth over the long term and less vulnerability to cycles.

*"Among analysts, Tootal Group's strategy and long term planning finds particular appeal, with more than a third mentioning it spontaneously" MORI CITY SURVEY SPRING '89*

## Confidently

A Management team balancing expertise and experience, drawn from all the countries in which we operate.

*"They have a very strong management especially on executive level" ANALYST*

# poised for

ABC Elegance, an innovative gold-foil printed Batik, recently launched in West Africa through consumer advertising, video and fashion shows.

*"Your marketing techniques are of a very high standard. This is a completely new approach in West Africa and we welcome it" CHIEF L.M. BRUGAL CHAO TEXTILES LAGOS*

# the future

Strengthened core businesses, with improved marketing, strong international sourcing and distribution, positioned well for the future.

*"Tootal has risen smartly to the challenges of the textile industry" INVESTORS CHRONICLE 3-9 NOV '89*

*"In the last three years, Tootal has built an impressive worldwide threads business, and is close to breaking free from the cyclicalities that dogs British textile companies." THE TIMES 3.10.89*

If you would like more information about Tootal Group write to: Audrey Lloyd-Kluzen, Director of Corporate Affairs, Tootal Group plc, Tootal House, 19/21 Spring Gardens, Manchester M60 2TL.

**WINNING LEADERSHIP IN WORLD MARKETS**

COMMODITIES AND AGRICULTURE

EC Commission seeks big cuts in fishing quotas

By Tim Dickson in Brussels
DEEP CUTS in the quotas for North Sea fisheries next year were among proposals formally agreed by the European Commission last night.

With their own fishermen facing severe financial difficulties, Britain and West Germany are anxious that concessions to Oslo are kept to the minimum, while elsewhere the Spanish Government is unhappy about an agreement which has been struck with Canada over the Commission's proposal of fishing in zones of the North Atlantic Fisheries Organisation.

Wool-growers consider self-imposed tax rise

By Chris Sherwell in Sydney

AUSTRALIA'S WOOL-growers, caught by weakened international demand and a costly floor price scheme, are considering a higher local wool tax to curb expanding domestic production.

At the start of the 1989-90 season in July, the AWG's conferees were bulging and its stockpile was virtually exhausted after the strong demand and record prices of the previous season. But a resolute switch in the market to other fibres, and the withdrawal of key buyers like China and Japan, has prompted a sharp reversal.

At 981m kg, up 8.5 per cent on the previous year, the industry's national forecasting committee is due to meet soon to revise that figure, and it could show an increase of 10 per cent on the year.

LME criticised over zinc move

By Kenneth Gooding, Mining Correspondent

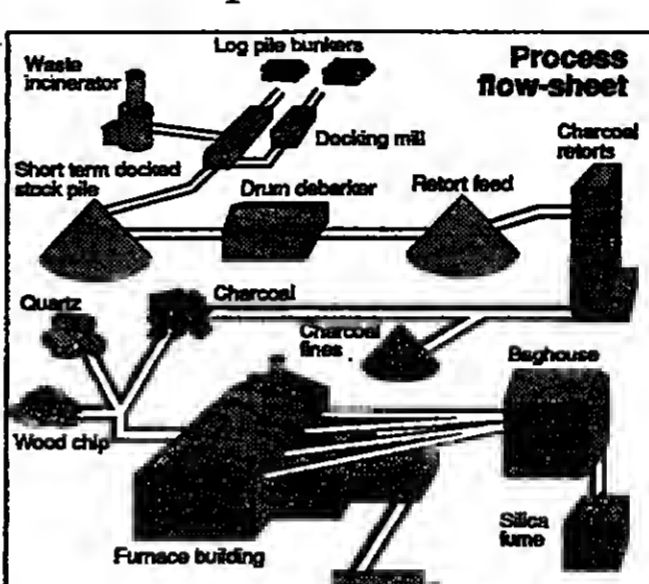
THE LONDON Metal Exchange executive committee came in for some criticism yesterday for intervening in the zinc market to prevent what the LME described as "an undesirable situation" developing in its zinc contracts.

that this was not caused by any carefully-engineered squeeze but by a number of factors. These included the fact that some European traders gain tax benefits from having metal in stock at the financial year-end in December.

Barrack sees big future for silicon project

Kenneth Gooding on a new operation that will add 8 per cent to world supplies

A PROJECT that will add about 8 per cent to world supplies of silicon metal and takes Australia into this fast growing business for the first time has just started up and first deliveries will take place early next year.



Mr Palce is destined to rise from about 100,000 Troy ounces this year to 600,000 ounces. Mr Palce suggests that demand growth for silicones, intermediate silicon products, is so strong that before long the world will need a new production facility.

Conference warned of eggs shortage

By Geoff Tansey

AN EGG shortage early next year and the elimination of most independent and free-range UK egg producers over the next few years was forecast at a recent conference organised by the Food Policy Research Unit at the University of Bradford.

ing flocks. The ministry did not pay adequate compensation, sample the flocks scientifically, provide sufficient information, or kill the birds humanely or in a way that did not destroy evidence for the necessary research into salmonella.

US METALS

IN THE METALS, gold futures fell sharply due to massive long liquidation after several up sessions, reports Drexel Burnham Lambert. The February contract fell 0.50 closing at 412.90.

By 1991-92. Barrack's plant is on a new industrial complex, Kertom, 165 km south of Perth. All three main raw materials it requires are within easy reach of the facility, a benefit not available to any competitor, suggests Mr Palce.

Chicago SOYABEANS 5,000 bu m/c, cents/bushel
Close Previous High/Low
Jan 2004 6770 6770 6770

LONDON MARKETS

GOLD prices came under pressure on the bullion market yesterday, and many dealers continued to trade after their normal end of business hours had been given. Chicago-based selling and the dollar's recovery from early losses both contributed to the sharp decline.

Table with columns: Commodity, Close, Previous, High/Low. Includes COCOA, LONDON METAL EXCHANGE, POTATOES - SPIKE, SOYABEAN MEAL, FRIED FUTURE - SPIKE, GARBANS - SPIKE, RUBBER, COPPER, and various oil products.

COMMODITIES PRICES

Table with columns: Commodity, Close, Previous, High/Low, and other price details. Includes COCOA, LONDON METAL EXCHANGE, POTATOES - SPIKE, SOYABEAN MEAL, FRIED FUTURE - SPIKE, GARBANS - SPIKE, RUBBER, COPPER, and various oil products.

NEW YORK

Table with columns: Commodity, Close, Previous, High/Low. Includes GOLD, SILVER, PLATINUM, and various oil products.

WORLD

A rise in the Australian Wool Corporation's market indicator of only 1 cent, led to a 10c rise in the wool market. The market is expected to be volatile in the coming weeks.

Table with columns: Commodity, Close, Previous, High/Low. Includes RUBBER, COPPER, and various oil products.

Table with columns: Commodity, Close, Previous, High/Low. Includes RUBBER, COPPER, and various oil products.

Table with columns: Commodity, Close, Previous, High/Low. Includes RUBBER, COPPER, and various oil products.

LONDON STOCK EXCHANGE

London shares follow New York lead

THE UNDERLYING optimism of the UK stock market received a further boost yesterday from the overnight strength of the US and Tokyo markets...

Account Dealing Dates table with columns for Deal Date, First Dealing, and Last Dealing.

The pace slackened when Wall Street made a slight start to the new session but picked up again as the New York market began to renew its advance...

retail sales for November, were clearly helping London yesterday, the domestic backcloth remained dull. Asda, the food supermarket group, was downgraded by BZW, the London investment bank...

Nevertheless, many leading trading firms continue to advise caution. Kleinwort Benson, the London merchant bank, while believing that equities could make further ground before the year-end...

FINANCIAL TIMES STOCK INDICES table with columns for Index Name, Dec 13, Dec 12, Dec 11, Dec 10, Dec 9, Dec 8, Dec 7, Dec 6, Dec 5, Dec 4, Dec 3, Dec 2, Dec 1, High, Low, Since High, Since Low.

Doubts on rise in oil shares

The oil and gas stocks were among the market's front runners with share prices taking another step forward as oil and gas product prices responded to the continuing bleak weather across the United States...

two-way interest. Mr Nigel Hawkins at Hoare Govett described the day as "a period of consolidation, with many institutions holding off from the market until the selling by private investors has abated."

supposed recommendations by US firms. But the ADR specialists which have been buying Renter shares in London to meet New York appetites maintained that yesterday's panic rise reflected nothing more than an extreme squeeze on marketmaker positions in the FT-A All-Share Index

Shares in Anglo United gained 1 1/2 to 63p on news of the sale, while Shgres in Johnson Matthey, in which Charter Consolidated has a 38.7 per cent stake, fell in sympathy. The shares gave up 5 to 33p.

Among the pharmaceuticals, Glaxo (21p) were higher from the opening of the market, on the back of ADR business in New York. SmithKline Beecham (61p) was another to drive forward on US buying, while Wellcome (76p), was also firmer.

TRADING VOLUME IN MAJOR STOCKS table with columns for Stock Name, Volume, Change, etc.

But many analysts took the view that the recent strong run by the oil stocks had gone too far too fast. Hoare Govett described the sector as "too frothy".

Berisford move. Growing speculation of an imminent deal in the food manufacturing sector hit home with a cross of 9.6m shares in Berisford International, later confirmed as Mr Larry Goodman, the Irish entrepreneur increasing his stake in the UK food group from 9.8 per cent to 11.5 per cent, or 67.9m shares.

Shares in Charter Consolidated, the mining and industrial holding company, eased to 248p to 230p. He says Tate's underperformance since the preliminary figures is unjustified given the above-average earnings growth, high level of overseas earnings and strong cash flow profile.

County were keen buyers of Tate & Lyle, which rose 9 to 22p on 3.1m shares, with Mr Darville upgrading his profits forecasts for 1989-90 from 220m to 225m and for 1990-91 from 240m to 250m. He says Tate's underperformance since the preliminary figures is unjustified given the above-average earnings growth, high level of overseas earnings and strong cash flow profile.

British Telecom continued to make progress, adding 9 to 282 1/2, on 8.1m. Tuesday's good results boosted Royal Electronics, up 4 to 245p on 5.3m. Hoekys jumped 25 to 48p ahead of today's figures.

Based on positive sentiment surrounding water privatisation stocks, Mr Alastair Stewart at Charterhouse Tilney said: "The company has been overlooked by the market. Around 20 per cent of their total profits come from the plastics division, which makes fittings and valves for water pipe works, which will be particularly used in the water industry."

Water prospects. Activity in shares of the newly-privatised water companies was much quieter than Tuesday's debut performance but nevertheless kept dealers on the alert for any more signs of stake-building operations by UK institutions and possible overseas predators.

NEW HIGHS AND LOWS FOR 1989 table with columns for Name, High, Low.

APPOINTMENTS. Bradstock Financial Services; Mr Donald A.A. Nelson as a director of Hospital and Health Insurance Services.

Mr Alan Richards at BZW said the results were in line with his forecasts but added, "the company is trying to achieve a lot but these results do not prove it yet."

STC was a notable weak spot, the shares retreated 15 to 265p on bigger-than-usual turnover of 4.8m, amid market suggestions that one of the agency brokers had lowered their profit-forecast for the company, and also on a story that a line of 7m shares was on offer.

NOTICE TO WARRANTHOLDERS OF SUMITOMO RUBBER INDUSTRIES, LTD. U.S. \$100,000,000 4 1/2% Guaranteed Bonds Due 1992 with Warrants

P&O plans for Pacific companies. THE PENINSULAR AND ORIENTAL STEAM NAVIGATION CO. has promoted Mr Richard Hein from deputy to group managing director of P&O Australia.

APPOINTMENTS. Bradstock Financial Services; Mr Donald A.A. Nelson as a director of Hospital and Health Insurance Services.

Kansallis-Osake-Pankki (incorporated with limited liability in Finland) Yen 10,000,000,000 Subordinated Floating Rate Notes Due 1991

Bank of Tokyo (Curacao) Holding N.V. US \$100,000,000 GUARANTEED FLOATING RATE NOTES DUE 1991. The Bank of Tokyo, Ltd. (Kabushiki Kaisha Tokyo Ginko)

BRADSTOCK GROUP has appointed, from January 1, following the retirement of Mr T.A.R. Hanney.

Mr Peter C. Williams has been appointed group treasurer of COURTAULDS TEXTILES, a new post created by the demerger of the Courtaulds Group.

Mr Richard Turner, STC group marketing director, and chairman, STC Submarine Systems, has been appointed to the STC board as an executive director.

Development Fund of Iceland (FRAMVAEMDASJODUR ISLANDS) (Established under the laws of the Republic of Iceland) US \$35,000,000 Floating Rate Notes 1997

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-625-2128

AUTHORISED UNIT TRUSTS

Abbey Unit Trust Managers Ltd

Table listing various unit trusts under Abbey Unit Trust Managers Ltd, including names like Abbey Growth, Abbey Income, and Abbey Property, with columns for unit price and other details.

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GUIDE TO UNIT TRUST PRICING. A section explaining how unit trust prices are calculated, including details on net asset value, unit price, and the effect of charges.

Handwritten text at the bottom of the page, possibly a signature or reference code.

هنا اصل النسخة

FT UNIT TRUST INFORMATION SERVICE

For Current Unit Trust Prices on any telephone ring direct-0836 4 + live digit code (listed below). Calls charged at 38p per minute peak and 25p off peak, inc VAT

Main table containing unit trust information with columns for company name, unit price, and other financial details. Includes sub-sections like 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

OTHER UK UNIT TRUSTS

INSURANCES

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

For Current Unit Trust Prices on any telephone ring direct-0834 4 + five digit code (listed below). Calls charged at 56p per minute peak and 25p off peak, inc VAT

Main table containing unit trust information, organized into columns for various categories like 'Premier Life Assurance Co Ltd', 'Scottish Equitable Life Assn', 'Guernsey (SB RECOGNISED)', 'LUXEMBOURG (SB RECOGNISED)', and 'JERSEY (SB RECOGNISED)'. Each entry includes fund names, unit prices, and other financial details.

OFFSHORE AND OVERSEAS

GUERNSEY (SB RECOGNISED)

MANAGEMENT SERVICES

GUERNSEY (SB RECOGNISED)

LOM (SB RECOGNISED)

LUXEMBOURG (SB RECOGNISED)

JERSEY (SB RECOGNISED)

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FT UNIT TRUST INFORMATION SERVICE

Table containing FT Unit Trust Information Service data, including sections for ISLE OF MAN, LUXEMBOURG, OFFSHORE INSURANCES, and OTHER OFFSHORE FUNDS.

LONDON SHARE SERVICE

Table containing LONDON SHARE SERVICE data, including sections for BRITISH FUNDS, BRITISH FUNDS - Cont'd, LOANS, FOREIGN BONDS & RAILS, AMERICANS, INT. BANK AND O'SEAS, and CORPORATION LOANS.

Table containing Money Market Trust Funds and Money Market Bank Accounts data, including various fund names, prices, and yields.

For Latest Share Prices on any telephone ring direct 0886 43 + four digit code (listed below). Calls charged at 30p per minute peak and 25p off peak, inc VAT

LONDON SHARE SERVICE

Main table containing various share market listings including AMERICANS, BUILDING, TIMBER, ROADS, DRAPERY AND STORES, ENGINEERING, INDUSTRIALS (Misc.), and INSURANCES. Each section lists company names, stock prices, and other financial data.

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دوره اخبار اقتصادی

LONDON SHARE SERVICE

For Latest Share Prices on any telephone ring direct-0838 43 + four digit code (listed below). Calls charged at 39p per minute peak and 25p off peak, inc VAT

LEISURE

Table of Leisure stocks including Leisure Group, Leisure Leisure, Leisure Leisure, etc.

PAPER, PRINTING, ADVERTISING - Contd

Table of Paper, Printing, Advertising stocks including Newsprint, Paper, Printing, Advertising, etc.

TRANSPORT

Table of Transport stocks including British Airways, British Airways, etc.

TRUSTS, FINANCE, LAND - Contd

Table of Trusts, Finance, Land stocks including Investment Trusts, Finance, Land, etc.

OIL AND GAS - Contd

Table of Oil and Gas stocks including British Petroleum, Shell, etc.

MINES - Contd

Table of Mines stocks including Anglo American, De Beers, etc.

MOTORS, AIRCRAFT TRADES

Table of Motors, Aircraft Trades stocks including Rolls Royce, etc.

PROPERTY

Table of Property stocks including British Land, etc.

TRUSTS, FINANCE, LAND

Table of Trusts, Finance, Land stocks including Investment Trusts, Finance, Land, etc.

TRUSTS, FINANCE, LAND - Contd

Table of Trusts, Finance, Land stocks including Investment Trusts, Finance, Land, etc.

OVERSEAS TRADERS

Table of Overseas Traders stocks including Anglo Siam, etc.

PLANTATIONS

Table of Plantations stocks including Rubber, Palm Oil, etc.

NEWSPAPERS, PUBLISHERS

Table of Newspapers, Publishers stocks including Newsprint, etc.

SHOES AND LEATHER

Table of Shoes and Leather stocks including Shoemakers, etc.

SOUTH AFRICANS

Table of South African stocks including Anglo American, etc.

OIL AND GAS

Table of Oil and Gas stocks including British Petroleum, Shell, etc.

MINES

Table of Mines stocks including Anglo American, De Beers, etc.

REGIONAL & IRISH STOCKS

Table of Regional & Irish Stocks including Irish, Regional, etc.

PAPER, PRINTING, ADVERTISING

Table of Paper, Printing, Advertising stocks including Newsprint, etc.

TEXTILES

Table of Textiles stocks including Textile, etc.

TOBACCO

Table of Tobacco stocks including British American, etc.

OIL AND GAS

Table of Oil and Gas stocks including British Petroleum, Shell, etc.

MINES

Table of Mines stocks including Anglo American, De Beers, etc.

TRADITIONAL OPTIONS

Table of Traditional Options including 3-month call rates, etc.

This service is available to every company listed on the Stock Exchange throughout the United Kingdom on a fee of 80p per annum for each security.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Intervention halts D-Mark

THE D-MARK was prevented from rising yesterday as European central banks stepped in to sell the West German currency in an attempt to limit growing tensions within the European Monetary System.

Although the central banks made no reference to co-ordinated intervention, many analysts said that precisely what had taken place, Mr Neil MacKinnon, chief economist at Yamaichi International, said the D-Mark's strength had created tensions within the EMS.

Y143.85, at SFr1.5750 from SFr1.5770, and at FFfr5.9475 from FFfr5.9300. The dollar's index, as calculated by the Bank of England, fell 0.3 to 68.0.

The D-Mark began firmly in Tokyo with the dollar falling to DM1.8855, its lowest since May 1988, and more than three pence below the previous London close.

A boost given to the dollar after the latest US retail sales figures also kept the D-Mark on the defensive. But analysts said Friday's US data, which are expected to show the trade deficit widening and inflationary pressures easing, could tempt the Federal Reserve to ease monetary policy.

Sterling fell to DM2.7350 in Tokyo, which took it close to the lowest level it has traded at since January 1987, when it hit DM2.7275, according to Mr Christian Dams, economist at Chemical Bank.

EURO-CURRENCY INTEREST RATES

Table with columns: Dec 13, Short term, 7 days notice, 1 month, 3 months, 6 months, 1 year. Rows include US Dollar, Swiss Franc, Japanese Yen, etc.

IN NEW YORK

Table with columns: Dec 13, Last, Previous. Rows include 5-year, 10-year, 30-year Treasury bonds.

STERLING INDEX

Table with columns: Dec 13, Previous. Rows include 5.00, 10.00, 15.00, 20.00, 25.00, 30.00, 35.00, 40.00.

CURRENCY RATES

Table with columns: Dec 13, Bank, Bid, Offer, Spread. Rows include Australia, Canada, Hong Kong, etc.

CURRENCY MOVEMENTS

Table with columns: Dec 13, Bank of England, Movement. Rows include Sterling, US Dollar, Canadian Dollar, etc.

OTHER CURRENCIES

Table with columns: Dec 13, C, S, DM, Y, Fr, S Fr, Lira, C\$, S\$, R\$. Rows include Argentina, Brazil, Finland, etc.

FINANCIAL FUTURES AND OPTIONS

Table with columns: Strike, Call, Put, Settlement. Rows include Liffe Gold, Liffe Treasury, Liffe Eurodollar.

Table with columns: Strike, Call, Put, Settlement. Rows include Liffe Eurodollar, Liffe Sterling, Liffe 3-month Eurodollar.

Table with columns: Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec. Rows include US Treasury Bills, Japanese Yen, Swiss Franc, etc.

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BASE LENDING RATES

Table with columns: Bank, Rate. Rows include Bank of England, Bank of France, etc.

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MONEY MARKETS

Firmer rates

UK money market rates firmed yesterday as sterling slipped in early trading against the D-Mark. But despite a recovery by sterling later on, rates remained higher.

In Frankfurt call money rates eased to 7.50-7.60 from 7.75-7.80 per cent on Tuesday, after the Bundesbank added an unexpected DM1.9bn of liquidity at its securities repurchase tender.

UK clearing bank base lending rates

Table with columns: Bank, Rate. Rows include Bank of England, Bank of France, etc.

FT LONDON INTERBANK FIXING

Table with columns: Dec 13, 3 months US dollar, 6 months US dollar. Rows include 3m, 6m, 9m, 12m.

MONEY RATES

Table with columns: Dec 13, Overnight, 7 days, 1 month, 3 months, 6 months, 1 year. Rows include New York, London, etc.

LONDON MONEY RATES

Table with columns: Dec 13, Overnight, 7 days, 1 month, 3 months, 6 months, 1 year. Rows include Interbank Offer, Interbank Bid, etc.

JAMAICA

The Financial Times proposes to publish this survey on 5TH FEBRUARY 1990. For a full editorial synopsis and advertisement details, please contact: Nigel Stokell on 01-873 3000.

LIFE AND ITS MEMBERS - TOGETHER WE'RE PRO... THE MARKETPLACE FOR THE FUTURE!

Advertisement for LIFE APT (Automated Portfolio Trading) featuring a large graphic of a hand holding a pen over a document. Text includes: 'German Government Bond (Bund) Extended Trading Hours', '14th December the LIFFE German Government Bond (Bund) contract will be available for trading on APT...'

Advertisement for FT-SE 100 'Where next?' featuring a large graphic of a hand holding a pen over a document. Text includes: '9-11 Grosvenor Gardens, London SW1W 0BD', 'Tel: 01-828 7233 AFB member', 'FTSE 100 Dec. 2385/2395 +13', 'Jan. 2763/2775 +15', '5pm Prices. Change from previous 9pm close'.

Advertisement for JOTTER PAD featuring a large graphic of a hand holding a pen over a document. Text includes: 'JOTTER PAD', 'MEMBER AFB', 'CAL Futures Ltd', '30 Victoria Street London SW1H 0TW', 'Tel: 01-799 2233 Fax: 01-799 1321'.

Advertisement for CROSSWORD featuring a large graphic of a hand holding a pen over a document. Text includes: 'CROSSWORD', 'No. 7,115 Set by TANTALUS', 'Estimated volume 243 0740', 'Previous day's open bid: 1219 0150'.

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هنگام افتتاح

WORLD STOCK MARKETS

Table of stock market data for various countries including Austria, France, Germany, Italy, Sweden, Switzerland, Denmark, Finland, Japan, and South Africa. Columns include stock names, prices, and changes.

Table of stock market data for Canada, including Toronto and Montreal. Columns include stock names, prices, and changes.

Table of stock market data for Japan, listing various companies and their stock prices.

Table of stock market data for Australia, listing various companies and their stock prices.

Table of stock market data for New York Active Stocks and Trading Activity, including Dow Jones and NYSE indices.

Advertisement for FT hand delivered in Turkey, featuring an image of a camera lens and text describing the service and contact information.

2pm prices December 13

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table containing stock prices for various companies, including columns for High, Low, Stock, and Close. Includes sub-headers for different market sections.

Continued on Page 37

Advertisement for 'The world's first King Size Filter cigarette' featuring a pack of 'Retinums KING SIZE' cigarettes.

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NYSE COMPOSITE PRICES

Table of NYSE Composite Prices with columns for Stock, High, Low, Last, and Change. Includes a section for Dividend Dates and Yields.

NASDAQ NATIONAL MARKET

2pm prices December 13

Table of NASDAQ National Market prices with columns for Stock, High, Low, Last, and Change.

AMEX COMPOSITE PRICES

2pm prices December 13

Table of AMEX Composite Prices with columns for Stock, High, Low, Last, and Change.

Advertisement for Vienna 515 62161, featuring the text 'Have your F.T. hand delivered... at no extra charge...' and contact information for Peter Grün of Morawa & Co.

AMERICA

Demand for energy issues lifts Dow to early high

AN EARLY continuation of this week's buying of oil and gas stocks helped the broad market to a gain of 20 points in mid-morning before the buying faltered, and the market came off its highs, writes Janet Bush in New York.

appeared to give some encouragement to the equity market. Another, minor positive point was that the Treasury bond market did not react particularly negatively to the figures with the long end of the yield curve quoted up to 3 1/2 points higher at mid-session.

F W Woolworth added 1 1/2% to \$63 1/2, J C Penney gained 3 1/4% to \$71 1/2 and Sears, Roebuck added 3/4% to \$36 1/4.

Poll worries ignored in Brazil rally

BRAZILIAN stocks have rallied vigorously in spite of growing tension over Sunday's presidential election, writes John Barham in Sao Paulo.

TSE varies assault on speculation

Michiyo Nakamoto explains Japan's approach to margin trading

JAPAN'S financial authorities, who seem to have a more difficult time living with market excesses than their western counterparts, have maintained a number of regulatory measures to ensure that trading does not get too far out of hand.

160.12 points at a record high for the third day running. Margin trading, which allows the investor to trade on credit, was introduced to the Japanese stock market in 1951 and based on the US system of margin transactions.

requirement. This time, however, since the collateral requirement was already fairly high at 60 per cent, the TSE decided instead to lower the valuation of the securities that are held as collateral, according to an Exchange official.

¥8.49 trillion (\$63.8bn) at the beginning of this month. But the ratio of outstanding margin buying to total market capitalisation has been falling ever since it reached a peak of 2.01 per cent in December 1987.

EUROPE

Exchange rate trepidation quells bourse enthusiasm

CURRENCY and interest rate worries took the excitement out of continental bourses yesterday, leaving a tendency towards puzzlement, irritability and some timidity in its place, writes Chr Market Street.

Prices were marked down before today's Bundesbank meeting. Yesterday's continued rise in the D-Mark against the dollar, and strength in the bond market suggested that an interest rate increase was unlikely, but thinking was unsettled by Swiss National Bank action on Lombard rates.

The CBS tendency index shed 1.2 to 184.3, even though Royal Dutch was up F13.10 at F149.40, as oil prices rose sharply because of the severe US winter.

ASIA PACIFIC

Nikkei average bursts through 38,000 level

A RENEWED burst of energy, and a wave of index-linked buying carried the Nikkei average above the 38,000 level for the first time yesterday, writes Michiyo Nakamoto in Tokyo.

Tokyo SE

Turnover by volume (bn shares) 1.8 1.6 1.4 1.2 1.0 0.8 0.6 0.4

month - and that December usually sees a seasonal rally. Interest yesterday shifted to smaller-capitalisation bargains, particularly among the electricals.

Roundup VOLATILITY faced many investors in the Asia Pacific region yesterday, as the politicians seemed to get into one market after another. Not all suffered from the incursion.

it reopened on Monday. Proceeds of the First Philippine Fund, floated just prior to the coup attempt and listed on the New York Stock Exchange, will remain in the US if the political and economic situation in the Philippines dictates it, an adviser said yesterday.

FT-ACTUARIES WORLD INDICES

Table with columns for National and Regional Markets, US Dollar Index, Day's Change, Pound Sterling Index, Local Currency Index, Day's Change % local currency, Gross Div. Yield, US Dollar Index, Pound Sterling Index, Local Currency Index, 1988 High, 1989 Low, Year ago (approx).

1990 Warning to Investors from DBI

Don't pay high cost commissions. Send for Free New 1990 commission schedule.

When the London Stock Exchange ruled in 1986 that stock brokers no longer had to charge fixed minimum commission rates, most investors expected that brokers would reduce their rates. This did not happen.

HOW MUCH CAN DBI SAVE YOU? Table with columns for Bargain Size, DBI Commission, Typical Full Price Broker Commission, FOU Save. Includes DBI logo and contact information.

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